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FEDERAL EXPRESS

July 17, 1998

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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**

KJR

Dear Mr. McNulty:

**DOCUMENT
FOLDER**

Enclosed for filing on behalf of PP&L, Inc. ("PP&L") are an original and eight (8) copies of its Compliance Filing in the above-captioned proceeding. In addition, the Compliance Filing is provided on 3.5" MS DOS readable diskettes in Word 6.0. This filing is being submitted pursuant to the Public Utility Commission's Final Order entered on June 15, 1998 at Docket No. R-00973954.

In preparing this filing, PP&L has sought to comply with the findings in the Commission's June 15 Order to the maximum extent possible. In some instances, it was extremely difficult to reconcile certain aspects and findings in the Commission's Order. One matter of particular concern is the class "shopping credits" which result from application of the Commission's "from the bottom up" methodology for the allocation and recovery of stranded costs. Applying this method produces a wide dispersion of class "shopping credits" and, in PP&L's view, may result in results which were not contemplated or intended by the Commission. PP&L has filed these results in order to comply with the Commission's Order, but suggests that this issue, and others, should be addressed in a technical conference among the parties. In PP&L's view, the current settlement negotiations would provide an appropriate forum for resolution of these issues.

James J. McNulty, Esquire

- 2 -

July 17, 1998

As indicated on the attached certificate of service, copies of the Compliance Filing (hard copies and electronic versions) have been served on all of the active participants in this proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on July 17, 1998, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul E. Russell". The signature is written in a cursive, flowing style with some capitalization.

Paul E. Russell

Enclosures

cc: Certificate of Service

PP&L, Inc.
Docket No. R-00973954
Index to Compliance Filing

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JUL 17 1998

Volume 1

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU **tab**

Description of Compliance Filing	A
Supplement No. 75 to Tariff Electric Pa. P.U.C. No. 200	B
Supplement No. 1 to Tariff Electric Pa. P.U.C. No. 201	C
Electric Generation Supplier Coordination Tariff	D

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Volume 2

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 1999

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 2000

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 2001

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 2002.

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 2003

Proof of Revenues and Supporting Calculations for 12-Month Period Ended
December 31, 2004

Proof of Revenues and Supporting Calculations for 9-Month Period Ended
September 30, 2005

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PP&L, Inc.
Description of Compliance Filing PA PUBLIC UTILITY COMMISSION
at Docket No. R-00973954 SECRETARY'S BUREAU

On June 15, 1998, the Pennsylvania Public Utility Commission ("PUC" or the "Commission") entered an Opinion and Order at Docket No. R-00943954 approving a restructuring plan, including the unbundling of existing retail customer rates, for PP&L, Inc. ("PP&L"). The Commission's order allows PP&L to recover \$2.864 billion in stranded costs, less an annual \$70 million mitigation adjustment associated with a reduction in depreciation on certain property at the Susquehanna Steam Electric Station. The order also allows PP&L to earn an annual pre-tax return of 10.86% on the unamortized balance of stranded costs over a transition period of 8.5 years.

On June 26, 1998, PP&L filed a petition for Reconsideration, Clarification, Amendment, Correction and Supersedes of the PUC's order entered on June 15, 1998. In its petition, PP&L identified and requested correction of several errors in the Commission's determination of unbundled rates. Those errors included:

- (1) an incorrect total average bundled retail rate;
- (2) an incorrect 1999 sales figure;
- (3) an incorrect total average combined transmission and distribution rate;
- (4) incorrect total average shopping credits which violate the generation rate cap; and
- (5) an incorrect amortization rate.

In an Opinion and Order entered on July 9, 1998, the Commission granted PP&L's petition in part, and denied the petition in part. The PUC's order corrected the shopping credit and amortization rate errors, but did not correct the

total average bundled rate, the 1999 sales figure, and the total average combined transmission and distribution rate errors.

This compliance filing contains tariff supplements and a supplier coordination tariff which implement the Commission's Opinions and Orders. In addition, this filing contains a proof of revenues and supporting calculations for each year of the transition period.

The compliance filing is divided into two (2) volumes. Following is a summary description of each volume.

Volume 1
Section A

This section contains the narrative description of the Company's compliance filing.

Volume 1
Section B

This section contains the revised tariff sheets which constitute Supplement No. 75 to PP&L's Tariff Electric Pa. P.U.C. No. 200. These tariff sheets reflect an issue date of July 17, 1998 and an effective date of August 17, 1998. Supplement No. 75 sets forth uncontested tariff rule changes that will be implemented before the beginning of competition on January 1, 1999.

Supplement No. 75 contains tariff rules to: (1) indicate that the Company may supply services, upon request, over and above those that the Company normally would provide, if the customer agrees to pay a fair and non-

discriminatory price for those services; (2) change the Budget Billing interest rate 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; (3) clarify how the amount of interruptible power is determined; and (4) change the maximum number of customers that the Company will select and the monthly maximum demand eligibility criteria for Rate Schedules PR-1 and PR-2.

Volume 1
Section C

This section contains the revised tariff sheets which constitute Supplement No. 1 to PP&L's Tariff Electric Pa. P.U.C. No. 201. These tariff sheets reflect an issue date of July 17, 1998 and an effective date of January 1, 1999. Supplement No. 1 sets forth rates and charges that implement the approved restructuring plan, including the unbundling of existing retail customer rates, for PP&L. Supplement No. 1 identifies: (1) the unbundled generation, transmission and distribution charges for each rate schedule and rate rider; (2) the Competitive Transition Charge ("CTC"), which is calculated to recover \$2.864 billion in stranded costs, less an annual \$70 million mitigation adjustment, and an annual pre-tax return of 10.86% compounded monthly on the unamortized balance of stranded costs over the transition period; and (3) all other adjustments to the terms and conditions of service necessary to reflect a competitive generation market.

Supplement No. 1 includes an Interim Code of Conduct for PP&L, as required by the Commission. This code of Conduct is based on the Pennsylvania

Electric Association Code, as amended and adopted by the Commission in the PECO Energy restructuring case. PECO Energy Order on Compliance Filing, Docket Nos. R-00973953 and P-00971265, Order entered February 5, 1998. In addition, the enclosed Code of Conduct reflects changes to the Dispute Resolution Procedures adopted by the Commission in a subsequent order in the PECO Energy proceeding. PECO Energy Order on Revised Compliance Filing, Docket Nos. R-00973953 and P-00971265, Order entered February 26, 1998. The Interim Code of Conduct for PP&L contains additional provisions regarding: (1) PUC review of transactions between PP&L's electric distribution company ("EDC") and PP&L's electric generation supplier ("EGS") affiliate, and (2) prohibition of joint marketing activities between PP&L's EDC and a PP&L EGS affiliate.

Volume 1
Section D

This section contains PP&L's Electric Generation Supplier Coordination Tariff which is based on PECO's Electric Generation Supplier Coordination tariff, as modified and adopted by the Commission in its Order entered May 28, 1998 at Docket No. R-00984298. PP&L's proposed supplier coordination tariff closely tracks the PECO supplier coordination tariff, with minor modifications to reflect more recent Commission rules and procedures in this area.

Volume 2

This section contains a proof of revenues and supporting calculations for each year of the transition period. The correct starting point for rate unbundling is PP&L's current bundled rates applicable to each rate schedule and rate rider contained in the Company's current retail tariff, as approved by the Commission. See the Electricity Generation Customer Choice and Competition Act ("Act"). 66 Pa.C.S. § 2804(4).

The Company applied annual sales for each year of the transition period for each rate schedule based upon the 1999 sales level set forth in the Commission's Order, corrected to include the proper level of sales to customers receiving Standby Service and customers served under Rate Schedule SM. These sales levels for each rate schedule were escalated throughout the transition period at a system average growth rate of 1.5% per year.

The mathematical result of the proof of revenues for the 12-month period ended December 31, 1999 is the total average retail rate to be used as the starting point for rate unbundling.¹ The proper total average combined transmission and distribution (T&D) rate is derived from the revenue requirement unbundling analysis provided in PP&L Exhibit JMK 2, which was used to develop PP&L's current bundled rates applicable to each rate schedule, as approved by the Commission.

¹ The total average retail rate for the 12-month period ended December 31, 1999 is consistent with the total average retail rate for the 12-month period ended December 31, 1996 provided in PP&L Exhibit OGK 4.

Finally, in its rate unbundling, the Company maintained as a constant value the system average annual shopping credits set forth in Attachment A to the Commission's Order. The Company successfully met this objective.

The use of (1) the correct 1999 KWH sales applicable to each rate schedule and rate rider, (2) the proper total average combined T&D rate, (3) the appropriate total average bundled retail rate as the starting point for rate unbundling, and (4) the total average shopping credits identified by the PUC in its July 9, 1998 order for each year of the transition period permits the recovery of allowed net stranded costs over a transition period beginning January 1, 1999 and ending September 30, 2005. This transition period is 6.75 years, slightly shorter than the 8.5 years set in the Commission's Order.

The results of these rate unbundling calculations are set forth in Volume 2 of the Compliance Filing. For each year of the transition period (January 1, 1999 through September 30, 2005) PP&L has submitted a summary proof of revenues followed by detailed supporting calculations for each rate schedule.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



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 July 17, 1998

EFFECTIVE August 17, 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.

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. 88

Paragraph C(4) is changed to indicate that the Company may supply service, upon request, in a manner which requires related 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 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 and PR-2
Page Nos. 31 and 32

Under Application Provisions, the monthly maximum demand of "2000 KW or greater" is changed to "1000 KW or greater." The maximum number of customers that the Company will select is increased from twenty-five (25) to thirty-five (35).

Rate Schedule PR-2
Page No. 32

Under Application Provisions, 4th paragraph, the last sentence on determining amount of interruptible power is eliminated.

TABLE OF CONTENTS

	<u>Page</u>	<u>Revision</u>
Table of Contents	3	Fifty-Ninth
	3A	Twenty-
Sixth		
Territory Covered by This Tariff	4	Second
	4A	Second
	4B	Original
RULES FOR ELECTRIC SERVICE		
1 - Electric Service Tariff	5	Original
2 - Requirements for Service	6	Second
	6A	First
3 - Extension of Service	7	Third
	7A	Second
4 - Supply of Service	8	Third
	8A	First
	8B	Sixth
	8C	Fifth
5 - Use of Service	9	Second
	9A	Original
6 - Auxiliary Service For Non-Qualifying Facilities	10	Seventh
	10A	Third
6A - Standby Service for Qualifying Facilities	10B	Fifth
	10C	Sixth
	100	First
7 - Temporary Service	11	Third
8 - Measurement of Service	12	Second
9 - Billing and Payment for Service	13	Third
	13A	Fourth
10 - Disconnection and Reconnection of Service	14	Original
	14A	Second
ENERGY COST RATE	15	Ninth
	15A	Eighth
	15B	Third
STATE TAX ADJUSTMENT SURCHARGE	16	Twenty-
Second		
EMERGENCY ENERGY CONSERVATION RIDER	17	Second
SPECIAL BASE RATE CREDIT ADJUSTMENT	18	Twelfth
ECONOMIC DEVELOPMENT INITIATIVES RIDER	19	Seventh
	19A	Second
INTERRUPTIBLE SERVICE BY AGREEMENT	19B	Seventh
ELECTRIC VEHICLE RIDER (EXPERIMENTAL)	19C	First
INDUSTRIAL DEVELOPMENT INITIATIVES RIDER	19D	Fourth
COMPETITIVE RATE RIDER (EXPERIMENTAL)	19E	Sixth
OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL (EXPERIMENTAL)	19F	Original
OPTIONAL POWER WATCH™ SERVICE RIDER - COMMERCIAL (EXPERIMENTAL).....	19G	Original
RETAIL ACCESS PILOT RIDER (EXPERIMENTAL).....	19H	Fourth
	19I	Fourth
	19J	Second
RATE SCHEDULES - GENERAL		
RS - Residential Service	20	Twelfth
	20A	Ninth
RTS - Residential Service - Thermal Storage	21	Sixteenth
	21A	Fifth
RTD - Residential Service - Time of Day	22	Fourteenth
	22A	Fifth
	23	Original
GS-1- Small General Service - Sec. Voltage or Higher	24	Fifteenth
	24A	Tenth
GS-3- Large General Service - Sec. Voltage or Higher	25	Sixteenth
	25A	Ninth
	26	Original
LP-4- Large General Service - 12 KV or Higher	27	Nineteenth
	27A	Sixth
LP-5- Large General Service - 69 KV or Higher	28	Nineteenth
	28A	Tenth
LP-6- Large General Service - 69 KV or Higher	28B	Eighth
	28C	First
LPEP- Power Service to Electric Propulsion.....	29	Ninth
	29A	Original

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>	<u>Revision</u>
IS-1- Interruptible Service - Greenhouses	30	Fourteenth
IS-P- Interruptible Large General Service - 12 KV or Higher	30A	Third
	30B	Fifth
IS-T- Interruptible Large General Service - 69 KV or Higher	30C	Third
	300	Fifth
PR-1- Price Response Service (Experimental) - Firm Power	31	Sixteenth
	31A	Tenth
	31B	First
PR-2- Price Response Service (Experimental) - Interruptible Power	32	Seventh
	32A	Fifth
	32B	First
BL - Borderline Service - Electric Utilities	33	Eighth
SA - Private Area Lighting	34	Tenth
SM - Mercury Vapor Street Lighting	35	Eighth
	35A	Second
	35B	Tenth
SHS - High Pressure Sodium Street Lighting.....	36	Ninth
	36A	Fifth
SE - Energy Only Street Lighting Service	37	Sixth
	37A	Fifth
.....	38	Original
RATE SCHEDULES - RESTRICTED		
TS(R) - Municipal Traffic Signal Lighting Service	39	Ninth
SI-1(R) - Municipal Street Lighting	40	Eleventh
.....	40A	Fourth
GH-1(R) - Single Meter Com'l. Space Htg. Service	41	Thirteenth
	41A	Original
GH-2(R) - Separate Meter General Space Htg. Service	42	Tenth

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 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 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)

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.

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 July 17, 1998

Effective August 17, 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

Issued July 17, 1998

Effective August 17, 1998

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

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 1000 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 Company will select a maximum of thirty-five (35) customers with firm or interruptible power requirements for 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 Association, 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.

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

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 1000 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 Company will select a maximum of thirty-five (35) customers with firm or interruptible power requirements for the pilot program. (C)

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

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)

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 Association, 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.

RECEIVED

JUL 17 1998

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



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 July 17, 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.

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

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 and (2) Distribution Service are defined.

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".

Rule 6
Page No. 10

Under Section B. Minimum Charge, a paragraph is added to indicate that, if a customer installs on-site generation and the sum of the customer's annual electricity purchases is less than ninety (90) percent of the customer's annual purchases in the Base Calendar Year, the Company will render a separate bill annually in the first quarter of each calendar year in the Transition Period for the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on monthly billing determinants for the Base Calendar Year and b) the amount of annual CTC revenue actually billed in the just completed calendar year. The Base Calendar Year shall be the earlier of: a) the calendar year immediately prior to the year of operation of the on-site generator or b) the calendar year 1998.

Rule 6A
Page Nos. 10B, 10D, 10E, 10F, and 10G

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.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rule 6A (Continued)

Paragraph E(4) is added to indicate that, if a customer installs on-site generation and the sum of the customer's annual electricity purchases is less than ninety (90) percent of the customer's annual purchases in the Base Calendar Year, the Company will render a separate bill annually in the first quarter of each calendar year in the Transition Period for the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on monthly billing determinants for the Base Calendar Year and b) the amount of annual CTC revenue actually billed in the just completed calendar year. The Base Calendar Year shall be the earlier of: a) the calendar year immediately prior to the year of operation of the on-site generator or b) the calendar year 1998.

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 and Rate Schedules PR-1 and PR-2 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 Application Provisions, references to Rate Schedule PR-1 are eliminated.

Under Definitions, 6. Billing Adjustments - Existing Customers and 7. Billing Adjustments - New Customers, different reductions are shown for customers who receive Basic Utility Supply Service from the Company and for customers who receive capacity and energy from an electric generation supplier.

Under General Conditions, the second paragraph is changed to indicate that the billing adjustment under this rider will continue through September 30, 2005. All provisions of the rider will terminate on October 1, 2005.

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

(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 will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

Under Application, second paragraph, reference to Rate Schedule PR-2 is eliminated.

Electric Vehicle Rider (Experimental)
Page No. 19C

The Electric Vehicle Rider is eliminated.

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

Under Application Provisions, references to Rate Schedule PR-1 are eliminated.

Under Definitions, 4. Billing Adjustments - Existing Customers and 5. Billing Adjustments - New Customers, different reductions are shown for customers who receive Basic Utility Supply Service from the Company and for customers who receive capacity and energy from an electric generation supplier.

Under General Conditions, the second paragraph is changed to indicate that the billing adjustment under this rider will continue through September 30, 2005. All provisions of the rider will terminate on October 1, 2005.

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

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 will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

Under Purpose, the word "experimental" is eliminated.

Under Application Provisions, second paragraph, Reference to Rate Schedule PR-2 is eliminated.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Competitive Rate Rider (R) (Continued)

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

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

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.

Interim Code of Conduct
 Page Nos. 19K and 19L

The Interim Code of Conduct is added.

Rates Schedules RS, RTS, RTD, GS-1,

Net Monthly Rate is changed to a Distribution Charge, Competitive Transition Charge, Capacity and Energy Charge, and Transmission Charge.

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, 21, 21A, 22, 22A,
 24, 24A, 25, 25A, 27, 27A,
 28, 28A, 28B, 28C, 29, 29A,
 30, 30.1, 30A, 30B, 30C,
 30D, 33, 33A, 34, 34A, 35,
 35A, 35B, 35C, 35D, 36,
 36A, 36B, 36C, 37, 37A, 39,
 39A, 40, 40A, 40B, 41, 41A,
 42, and 42A

Rate Schedules, RS, RTS, RTD
 Page Nos. 20A, 21A, and 22A

Monthly Minimum Bill is added.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedule RS

Page No. 20B and 20C

Off-Peak Water Heating is changed to indicate that, for new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. Rate is changed to a Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge.

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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. 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)

Page Nos. 20B, 21A, 22A, 24E, 25E,
30.2, 41B, and 42A

Budget Billing is changed to indicate that this provision is available at the option of the customer for charges under this Rate Schedule if the customers receives Basic Utility Supply Service from the Company.

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

Page Nos. 20B, 21A, 22A, 24B, 25B,
27B, 28A.1, 28D, 30B.2,
30F, and 41B

Reference to Electric Vehicle Rider is eliminated.

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)

Page Nos. 20C, 21A, 22B, 24B, 25B,
27B, 28A.1, 28D, 29B,
30.2, 30B.2, 30F, 34A,
39A, 41B, and 42A

Reference to Retail Access Pilot Rider is eliminated.

(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. 20C, 21A, 22B, 24E, 25E, 27C, 28A.2, 28D, 29C, 30.2, 30B.2, 30F, 33A, 34A, 39A, 41B, and 42A

Reference to the Special Base Rate Credit Adjustment is eliminated.

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. 20C, 21B, 22B, 24E, 25E, 27C, 28A.2, 28E, 29C, 34A, 25I, 36E, 37C, 39A, 40C, 41B, and 42B

Reference to the Competitive Transition Charge Reconciliation 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)

Page Nos. 20C, 21B, 22B, 24F, 25E, 27C, 28A.2, 28E, 29C, 30.2, 30B.2, 30F, 33A, 34A, 35I, 36E, 37C, 39A, 40C, 41B, and 42B

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. 20D, 21B, 22B, 24F, 25F, 27D, 28A.2, 28E, 29C, 30.2, 30B.2, 30F, 33A, 34B, 37D, 39A, 41C, and 42B

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 will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

(Continued)

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. 24A, 25B, 27B, 28A.1,
 28D, 29B, 30.1, 30B,
 30D, 39A, 41A, and 42A

Monthly Minimums are added.

Rate Schedules GS-1, GS-3, LP-4,
 LP-5, LP-6, LPEP, and GH-1(R)
 Page Nos. 24B, 25B, 27B, 28A.2,
 28D, 29B, and 41B

Billing KW is changed to indicate that, for new applications, *Time-of-Day* metering and billing is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

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

Off-Peak Space Conditioning and Water Heating is changed to indicate that, for new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

Rate Schedules GS-1 and GS-3
 Page Nos. 24C, 24D, 24E, 25C,
 25D, and 25E

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.

Rate Schedules LP-5, LP-6, and LPEP
 Page Nos. 28A.2, 28D, and 29B

Demand Free Days provision is changed to indicate that, for new applications, it is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period. The termination date of this provision is changed from January 1, 1999 to October 1, 2005. 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-1
Page No. 30

Under Application Rate Schedule IS-1, second paragraph, reference to Rate Schedule PR-2 is eliminated.

Rate Schedule IS-P and IS-T
Page Nos. 30A and 30C

Under Interruptible Power, second paragraph, reference to Rate Schedule PR-2 is eliminated.

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

Rate Schedules PR-1 and PR-2 are eliminated.

Rate Schedule SM
Page Nos. 35F, 35G, 35H, and 35I

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.

TABLE OF CONTENTS

	<u>Page</u>	<u>Revision</u>
Table of Contents -----	3	First
	3A	First
	3B	First
Territory Covered by This Tariff -----	4	First
	4A	First
	4B	First
 RULES FOR ELECTRIC SERVICE		
1 - Electric Service Tariff -----	5	First
2 - Requirements for Service -----	6	First
	6A	First
3 - Extension of Service -----	7	First
	7A	First
	7B	First
4 - Supply of Service -----	8	First
	8A	First
	8B	First
	8C	First
	8D	First
5 - Use of Service -----	9	First
	9A	First
6 - Auxiliary Service For Non-Qualifying Facilities -----	10	First
	10A	First
6A - Standby Service for Qualifying Facilities -----	10B	First
	10C	First
	10D	First
	10E	First
	10F	First
	10G	Original
	10H	Original
7 - Temporary Service -----	11	First
8 - Measurement of Service -----	12	First
9 - Billing and Payment for Service -----	13	First
	13A	First
	13B	First
10 - Disconnection and Reconnection of Service -----	14	First
	14A	First
	15	First
	15A	First
	15B	First
STATE TAX ADJUSTMENT SURCHARGE -----	16	First
EMERGENCY ENERGY CONSERVATION RIDER -----	17	First
	17A	Original
	18	First
ECONOMIC DEVELOPMENT INITIATIVES RIDER -----	19	First
	19A	First
INTERRUPTIBLE SERVICE BY AGREEMENT (R) -----	19B	First
	19C	First
INDUSTRIAL DEVELOPMENT INITIATIVES RIDER -----	19D	First
	19D.1	First
COMPETITIVE RATE RIDER (R) -----	19E	First
	19E.1	First
OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL (EXPERIMENTAL) --	19F	First
	19F.1	First
OPTIONAL POWER WATCH™ SERVICE RIDER - COMMERCIAL (EXPERIMENTAL) --	19G	First
	19G.1	First
	19H	First
	19I	First

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>	<u>Revision</u>
COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER -----	19J	First
INTERIM CODE OF CONDUCT -----	19K	First
-----	19L	First
-----	19M	First
 RATE SCHEDULES - GENERAL		
RS - Residential Service -----	20	First
	20A	First
	20B	First
	20C	First
	20D	First
RTS - Residential Service - Thermal Storage -----	21	First
	21A	First
	21B	First
RTD(R) - Residential Service - Time of Day -----	22	First
	22A	First
	22B	First
	22C	First
-----	23	First
GS-1 - Small General Service - Sec. Voltage or Higher -----	24	First
	24A	First
	24B	First
	24C	First
	24D	First
	24E	Original
	24F	Original
GS-3 - Large General Service - Sec. Voltage or Higher -----	25	First
	25A	First
	25B	First
	25C	First
	25D	First
	25E	First
	25F	Original
-----	26	First
LP-4 - Large General Service - 12 KV or Higher -----	27	First
	27A	First
	27B	First
	27C	First
	27D	Original
LP-5 - Large General Service - 69 KV or Higher -----	28	First
	28A	First
	28A.1	First
	28A.2	Original
LP-6 - Large General Service - 69 KV or Higher -----	28B	First
	28C	First
	28D	First
	28E	Original
LPEP - Power Service to Electric Propulsion -----	29	First
	29A	First
	29B	First
	29C	Original
IS-1(R) - Interruptible Service - Greenhouses -----	30	First
	30.1	First
	30.2	First
IS-P(R) - Interruptible Large General Service - 12 KV or Higher -----	30A	First
	30B	First
	30B.1	First
	30B.2	First

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>	<u>Revision</u>
IS-T(R) - Interruptible Large General Service - 69 KV or Higher -----	30C	First
	30D	First
	30E	First
	30F	First
-----	31	First
-----	31A	First
-----	31B	First
-----	32	First
-----	32A	First
-----	32B	First
BL - Borderline Service - Electric Utilities -----	33	First
	33A	First
SA - Private Area Lighting -----	34	First
	34A	First
	34B	Original
SM - Mercury Vapor Street Lighting -----	35	First
	35A	First
	35B	First
	35C	First
	35D	First
	35E	First
	35F	First
	35G	First
	35H	Original
	35I	Original
	35J	Original
SHS - High Pressure Sodium Street Lighting -----	36	First
	36A	First
	36B	First
	36C	First
	36D	First
	36E	First
SE - Energy Only Street Lighting Service -----	37	First
	37A	First
	37B	First
	37C	First
	37D	Original
-----	38	First
TS(R) - Municipal Traffic Signal Lighting Service -----	39	First
	39A	First
SI-1(R) - Municipal Street Lighting -----	40	First
	40A	First
	40B	First
	40C	Original
GH-1(R) - Single Meter Com'l. Space Heating Service -----	41	First
	41A	First
	41B	First
	41C	First
GH-2(R) - Separate Meter General Space Heating Service -----	42	First
	42A	First
	42B	First

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 Thompsettown.
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), Litz, 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 Alburis, 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, Hughestown, 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, Hollenbach, 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 Duboistown, 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.

(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.

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 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. Service is for an initial term of one year except as otherwise specifically provided.

(2) 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.

(3) 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)

RULE 2 - REQUIREMENTS FOR SERVICE (CONTINUED)

D. SECURITY DEPOSITS

(1) The Company may require deposits or guarantees satisfactory to Company as security for the payment of service bills before Company 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 ratepayer.

(2) The amount of deposit shall not exceed Company's estimate of the average bill 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. Interest ceases upon refund of deposit or upon discontinuance or termination of service, whichever occurs first.

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)

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 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 services.

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.

If a customer installs on-site generation and the sum of the customer's annual electricity purchases is less than ninety (90) percent of the customer's annual purchases in the Base Calendar Year, the Company will render a separate bill annually in the first quarter of each calendar year in the Transition Period for the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on monthly billing determinants for the Base Calendar Year and b) the amount of annual CTC revenue actually billed in the just completed calendar year. The Base Calendar Year shall be the earlier of: a) the calendar year immediately prior to the year of operation of the on-site generator or b) the calendar year 1998.

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

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.

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.

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 0.100¢/KWH	\$ 0.45/KW 0.016¢/KWH	\$0.06/KW 0.000¢/KWH
Competitive Transition Charge (Effective 1-1-99 through 12-31-99)	1.511¢/KWH	1.464¢/KWH	1.494¢/KWH
Competitive Transition Charge (Effective 1-1-00 through 12-31-00)	1.420¢/KWH	1.387¢/KWH	1.415¢/KWH
Competitive Transition Charge (Effective 1-1-01 through 12-31-01)	1.324¢/KWH	1.305¢/KWH	1.330¢/KWH
Competitive Transition Charge (Effective 1-1-02 through 12-31-02)	1.222¢/KWH	1.217¢/KWH	1.240¢/KWH
Competitive Transition Charge (Effective 1-1-03 through 12-31-03)	1.125¢/KWH	1.127¢/KWH	1.149¢/KWH
Competitive Transition Charge (Effective 1-1-04 through 12-31-04)	1.022¢/KWH	1.030¢/KWH	1.049¢/KWH
Competitive Transition Charge (Effective 1-1-05 through 9-30-05)	0.783¢/KWH	0.794¢/KWH	0.808¢/KWH

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

(Continued)

(C) Indicates Change

Issued July 17, 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 2.758¢/KWH	\$ 1.22/KW 2.704¢/KWH	\$ 1.15/KW 2.295¢/KWH
Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)	\$ 1.02/KW 2.849¢/KWH	\$ 1.22/KW 2.781¢/KWH	\$ 1.15/KW 2.373¢/KWH
Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)	\$ 1.02/KW 2.945¢/KWH	\$ 1.22/KW 2.862¢/KWH	\$ 1.15/KW 2.458¢/KWH
Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)	\$ 1.02/KW 3.047¢/KWH	\$ 1.22/KW 2.951¢/KWH	\$ 1.15/KW 2.548¢/KWH
Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)	\$ 1.02/KW 3.144¢/KWH	\$ 1.22/KW 3.040¢/KWH	\$ 1.15/KW 2.640¢/KWH
Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)	\$ 1.02/KW 3.247¢/KWH	\$ 1.22/KW 3.138¢/KWH	\$ 1.15/KW 2.740¢/KWH
Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)	\$ 1.02/KW 3.486¢/KWH	\$ 1.22/KW 3.374¢/KWH	\$ 1.15/KW 2.981¢/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.

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.

(Continued)

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

(b) Maintenance 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)	0.100¢/KWH	0.016¢/KWH	0.000¢/KWH
Competitive Transition Charge (Effective 1-1-99 through 12-31-99)	1.511¢/KWH	1.464¢/KWH	1.494¢/KWH
Competitive Transition Charge (Effective 1-1-00 through 12-31-00)	1.420¢/KWH	1.387¢/KWH	1.415¢/KWH
Competitive Transition Charge (Effective 1-1-01 through 12-31-01)	1.324¢/KWH	1.305¢/KWH	1.330¢/KWH
Competitive Transition Charge (Effective 1-1-02 through 12-31-02)	1.222¢/KWH	1.217¢/KWH	1.240¢/KWH
Competitive Transition Charge (Effective 1-1-03 through 12-31-03)	1.125¢/KWH	1.127¢/KWH	1.149¢/KWH
Competitive Transition Charge (Effective 1-1-04 through 12-31-04)	1.022¢/KWH	1.030¢/KWH	1.049¢/KWH
Competitive Transition Charge (Effective 1-1-05 through 9-30-05)	0.783¢/KWH	0.794¢/KWH	0.808¢/KWH

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

(Continued)

**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.

	<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)	2.758¢/KWH	2.704¢/KWH	2.295¢/KWH
Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)	2.849¢/KWH	2.781¢/KWH	2.373¢/KWH
Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)	2.945¢/KWH	2.862¢/KWH	2.458¢/KWH
Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)	3.047¢/KWH	2.951¢/KWH	2.548¢/KWH
Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)	3.144¢/KWH	3.040¢/KWH	2.640¢/KWH
Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)	3.247¢/KWH	3.138¢/KWH	2.740¢/KWH
Capacity and Energy Charge (Effective 1-1-05 through (9-30-05)	3.486¢/KWH	3.374¢/KWH	2.981¢/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.

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

- (4) If a customer installs on-site generation and the sum of the customer's annual electricity purchases is less than ninety (90) percent of the customer's annual purchases in the Base Calendar Year, the Company will render a separate bill annually in the first quarter of each calendar year in the Transition Period for the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on monthly billing determinants for the Base Calendar Year and b) the amount of annual CTC revenue actually billed in the just completed calendar year. The Base Calendar Year shall be the earlier of: a) the calendar year immediately prior to the year of operation of the on-site generator or b) the calendar year 1998.

(C)

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.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

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

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.

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. 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.

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.

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.
- (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.

(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.
- (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 that are reasonably applicable:

- (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 according to a settlement or amortization agreement.

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STATE TAX ADJUSTMENT SURCHARGE

(C)

In addition to the charges and credits provided for in this tariff, 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, and LP-5, 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)

(C)

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.

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)

(C) Indicates Change

ECONOMIC DEVELOPMENT INITIATIVES RIDER (Continued)

DEFINITIONS (Continued)

6. Billing Adjustments - Existing Customers. For customers who receive Basic Utility Supply Service 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 customers who receive capacity and energy 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>	
\$0.27/KW	\$0.14/KW	\$0.02/KW	
0.14¢/KWH	0.07¢/KWH	0.01¢/KWH	(C)

7. Billing Adjustments - New Customers. For customers who receive Basic Utility Supply Service 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 customers who receive capacity and energy 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>	
0.14¢/KWH	0.07¢/KWH	0.01¢/KWH	(C)

GENERAL CONDITIONS

The provisions of this rider are available to customers who became eligible on or before December 31, 1989, and are subject to any modifications ordered by the Pennsylvania Public Utility Commission in an interim base rate proceeding.

The billing adjustment under this rider will continue through September 30, 2005. All provisions of this rider will terminate on October 1, 2005. (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 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.

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.

(C) Indicates Change

INTERRUPTIBLE SERVICE BY AGREEMENT (R)**(C)**

New applications for service under Interruptible Service by Agreement will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

(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, 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.

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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)

(C)

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.

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

Issued July 17, 1998

Effective January 1, 1999

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER (CONTINUED)

DEFINITIONS (Continued)

4. **Billing Adjustments - Existing Customers.** For customers who receive Basic Utility Supply Service 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 customers who receive capacity and energy 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>	
\$0.27/KW	\$0.14/KW	\$0.02/KW	
0.14¢/KWH	0.07¢/KWH	0.01¢/KWH	(C)

5. **Billing Adjustments - New Customers.** For customers who receive Basic Utility Supply Service 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 customers who receive capacity and energy 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>	
0.14¢/KWH	0.07¢/KWH	0.01¢/KWH	(C)

GENERAL CONDITIONS

The provisions of this rider are available to customers who become eligible on or before December 31, 1997, and are subject to any modifications ordered by the Pennsylvania Public Utility Commission in an interim base rate proceeding.

The billing adjustments under this rider will continue through September 30, 2005. All provisions of this rider will terminate on October 1, 2005. (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 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.

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.

(C) Indicates Change

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

New applications for service under this Rider will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

(C)**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, 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.

(Continued)**(C) Indicates Change**

COMPETITIVE RATE RIDER (R) (CONTINUED)

(C)

GENERAL CONDITIONS (Continued)

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 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.

(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.

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.

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 September 30, 2005, 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. 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. 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 September 30, 2005 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, 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. Sales for each annual reconciliation will be based on total annual sales approved by the Commission in its order, entered June 15, 1998 at Docket No. R-00973954, for the period 1999 through 2005.

(C) Indicates Change

INTERIM CODE OF CONDUCT**(C)**

This Code of Conduct will become effective immediately upon approval as to activities related to implementation of the Phase-In of Direct Access

The Company and its divisional and/or affiliated EGSs ("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. The PP&L EDC shall provide comparable treatment without regard to the customer's chosen EGS.

2. The 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. The 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. The 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 the PP&L EDC and a PP&L Supplier shall involve an anti-competitive cross subsidy and all such transactions shall comply with applicable law. Transactions between the PP&L EDC and a PP&L Supplier must be approved by the Commission in a manner similar to the approval of affiliate transactions under Chapter 21 of the Public Utility Code § 66 Pa. C.S. §§ 2101 - 2107.

4. The PP&L EDC shall make available simultaneously to all EGSs any market information, not in the public domain, that it provides to a PP&L Supplier.

5. Employees of the 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 the 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. The PP&L EDC accounts and records shall be maintained such that the costs a PP&L Supplier incurs may be clearly identified.

6. The 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. Neither the 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 the 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 the 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 PaPUC jurisdictional regulated services from the PP&L EDC.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

INTERIM CODE OF CONDUCT (Continued)

(C)

8. The PP&L EDC and a PP&L Supplier shall not jointly market regulated services with non-regulated electricity supply services unless the PP&L EDC offers the same promotional services to non-affiliated EGSs.

9. Dispute Resolution Procedures:

- Regarding any dispute between the 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 the PP&L EDC and/or PP&L Supplier, as applicable, with 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 the 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 PaPUC'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, the matter shall be converted to a formal proceeding before a PaPUC Administrative Law Judge.
- Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

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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

1.780 cts. per KWH for the 200 KWH.

1.580 cts. per KWH for the 600 KWH.

1.459 cts. per KWH for all additional KWH.

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

2.433 cts. per KWH for the first 200 KWH.

2.159 cts. per KWH for the next 600 KWH.

1.994 cts. per KWH for all additional KWH.

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

2.328 cts. per KWH for the first 200 KWH.

2.066 cts. per KWH for the next 600 KWH.

1.908 cts. per KWH for all additional KWH.

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

2.205 cts. per KWH for the first 200 KWH.

1.956 cts. per KWH for the next 600 KWH.

1.807 cts. per KWH for all additional KWH.

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

2.065 cts. per KWH for the first 200 KWH.

1.832 cts. per KWH for the next 600 KWH.

1.692 cts. per KWH for all additional KWH.

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

1.923 cts. per KWH for the first 200 KWH.

1.706 cts. per KWH for the next 600 KWH.

1.576 cts. per KWH for all additional KWH.

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

1.765 cts. per KWH for the first 200 KWH.

1.566 cts. per KWH for the next 600 KWH.

1.446 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.366 cts. per KWH for the first 200 KWH.

1.211 cts. per KWH for the next 600 KWH.

1.119 cts. per KWH for all additional KWH.

(Continued)

(C)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE RS (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)

- 4.265 cts. per KWH for the first 200 KWH.
- 3.741 cts. per KWH for the next 600 KWH.
- 3.428 cts. per KWH for all additional KWH.

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

- 4.370 cts. per KWH for the first 200 KWH.
- 3.834 cts. per KWH for the next 600 KWH.
- 3.514 cts. per KWH for all additional KWH.

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

- 4.493 cts. per KWH for the first 200 KWH.
- 3.944 cts. per KWH for the next 600 KWH.
- 3.615 cts. per KWH for all additional KWH.

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

- 4.633 cts. per KWH for the first 200 KWH.
- 4.068 cts. per KWH for the next 600 KWH.
- 3.730 cts. per KWH for all additional KWH.

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

- 4.775 cts. per KWH for the first 200 KWH.
- 4.194 cts. per KWH for the next 600 KWH.
- 3.846 cts. per KWH for all additional KWH.

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

- 4.933 cts. per KWH for the first 200 KWH.
- 4.334 cts. per KWH for the next 600 KWH.
- 3.976 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- 5.332 cts. per KWH for the first 200 KWH.
- 4.689 cts. per KWH for the next 600 KWH.
- 4.303 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 BILL

The Monthly Minimum Bill is \$6.47.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

(C)

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 Bill 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

<u>Effective</u>	<u>Competitive Transition Charge</u>	<u>Capacity and Energy Charge</u>
1-1-99 through 12-31-99	2.156 cts. per KWH	0.553 cts. per KWH
1-1-00 through 12-31-00	2.063 cts. per KWH	0.646 cts. per KWH
1-1-01 through 12-31-01	1.953 cts. per KWH	0.756 cts. per KWH
1-1-02 through 12-31-02	1.829 cts. per KWH	0.880 cts. per KWH
1-1-03 through 12-31-03	1.703 cts. per KWH	1.006 cts. per KWH
1-1-04 through 12-31-04	1.563 cts. per KWH	1.146 cts. per KWH
1-1-05 through 9-30-05	1.209 cts. per KWH	1.500 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.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule if the customer receives Basic Utility Supply Service from the Company.

(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 Bill, 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)

(C)

(Continued)

(C) Indicates Change

RATE SCHEDULE RS (CONTINUED)

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)

(C)

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 1.578 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. The Monthly Minimum Bill is \$6.00. For new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

<u>Effective</u>	<u>Competitive Transition Charge</u>	<u>Capacity and Energy Charge</u>
1-1-99 through 12-31-99	2.156 cts. per KWH	0.054 cts. per KWH
1-1-00 through 12-31-00	2.063 cts. per KWH	0.147 cts. per KWH
1-1-01 through 12-31-01	1.953 cts. per KWH	0.257 cts. per KWH
1-1-02 through 12-31-02	1.829 cts. per KWH	0.381 cts. per KWH
1-1-03 through 12-31-03	1.703 cts. per KWH	0.507 cts. per KWH
1-1-04 through 12-31-04	1.563 cts. per KWH	0.647 cts. per KWH
1-1-05 through 9-30-05	1.209 cts. per KWH	1.001 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 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.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

(Continued)

(C) Indicates Change

RATE SCHEDULE RS (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 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.

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)

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

(C)

- 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)
2.548 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
2.437 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
2.308 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
2.162 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
2.012 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
1.847 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-05 through 9-30-05)
1.429 cts. per KWH for all 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)
\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
1.192 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.
1.302 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.
1.432 cts. per KWH for all KWH.

(Continued)

RATE SCHEDULE RTS (CONTINUED)

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.
1.578 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.
1.727 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.
1.893 cts. per KWH for all KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)
\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.310 cts. per KWH for all 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 BILL

(C)

The Monthly Minimum Bill is \$14.97.

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 if the customer receives Basic Utility Supply Service from the Company.

(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)

(Continued)

RATE SCHEDULE RTS (CONTINUED)**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.

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.

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 year (1) year terms until canceled by one month's prior written notice. In the event this Rate Schedule is withdrawn from the Tariff within 10 years of the date of its application to a specific location, the Company will pay \$50.00 to the ratepayer of record each month after such withdrawal for the remainder of the 10-year period.

(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.

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 begin 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.

(C) Indicates Change

RATE SCHEDULE RTD (R)
RESIDENTIAL SERVICE - TIME-OF-DAY

(C)

New applications for service under this Rate Schedule will be accepted only for customers who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

(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)

4.621 cts. per KWH for all on-peak KWH.

1.503 cts. per KWH for all off-peak KWH.

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

4.421 cts. per KWH for all on-peak KWH.

1.438 cts. per KWH for all off-peak KWH.

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

4.187 cts. per KWH for all on-peak KWH.

1.362 cts. per KWH for all off-peak KWH.

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

3.911 cts. per KWH for all on-peak KWH.

1.272 cts. per KWH for all off-peak KWH.

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

3.637 cts. per KWH for all on-peak KWH.

1.183 cts. per KWH for all off-peak KWH.

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

3.336 cts. per KWH for all on-peak KWH.

1.085 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

2.592 cts. per KWH for all on-peak KWH.

0.843 cts. per KWH for all off-peak KWH.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)

(C)

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)

7.190 cts. per KWH for all on-peak KWH.
2.091 cts. per KWH for all KWH.

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

7.390 cts. per KWH for all on-peak KWH.
2.156 cts. per KWH for all off-peak KWH.

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

7.624 cts. per KWH for all on-peak KWH.
2.232 cts. per KWH for all off-peak KWH.

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

7.900 cts. per KWH for all on-peak KWH.
2.322 cts. per KWH for all off-peak KWH.

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

8.174 cts. per KWH for all on-peak KWH.
2.411 cts. per KWH for all off-peak KWH.

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

8.475 cts. per KWH for all on-peak KWH.
2.509 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

9.219 cts. per KWH for all on-peak KWH.
2.751 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 BILL

(C)

The Monthly Minimum Bill is \$12.47.

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 if the customer receives Basic Utility Supply Service from the Company.

(C)

(C)

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)

(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.

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.

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)

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.
- (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.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)

(C)

- (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

(C)

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)

2.304 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.731 cts. per KWH for all additional KWH.

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

2.165 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.627 cts. per KWH for all additional KWH.

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

2.019 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.517 cts. per KWH for all additional KWH.

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

1.865 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.401 cts. per KWH for all additional KWH.

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

1.716 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.289 cts. per KWH for all additional KWH.

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

1.559 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.171 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.193 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

0.896 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE GS-1 (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)

5.654 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.108 cts. per KWH for all additional KWH.

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

5.793 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.212 cts. per KWH for all additional KWH.

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

5.939 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.322 cts. per KWH for all additional KWH.

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

6.093 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.438 cts. per KWH for all additional KWH.

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

6.242 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.550 cts. per KWH for all additional KWH.

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

6.399 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.668 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

6.765 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.943 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 5 KW.

The Monthly Minimum Bill is \$7.48.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

(C)

RATE SCHEDULE GS-1 (CONTINUED)

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate 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.

(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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

<u>Effective</u>	<u>Competitive Transition Charge</u>	<u>Capacity and Energy Charge</u>
1-1-99 through 12-31-99	0.248 cts. per KWH	0.000 cts. per KWH
1-1-00 through 12-31-00	0.248 cts. per KWH	0.000 cts. per KWH
1-1-01 through 12-31-01	0.248 cts. per KWH	0.000 cts. per KWH
1-1-02 through 12-31-02	0.248 cts. per KWH	0.000 cts. per KWH
1-1-03 through 12-31-03	0.248 cts. per KWH	0.000 cts. per KWH
1-1-04 through 12-31-04	0.248 cts. per KWH	0.000 cts. per KWH
1-1-05 through 9-30-05	0.248 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.

NET MONTHLY RATE

Distribution Charge (Effective 1-1-99)

- \$ 6.47 per month plus
- 1.780 cts. per KWH for the first 200 KWH.
- 1.580 cts. per KWH for the next 600 KWH.
- 1.459 cts. per KWH for all additional KWH.

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

- 2.433 cts. per KWH for the first 200 KWH.
- 2.159 cts. per KWH for the next 600 KWH.
- 1.994 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
2.328 cts. per KWH for the first 200 KWH.
2.066 cts. per KWH for the next 600 KWH.
1.908 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
2.205 cts. per KWH for the first 200 KWH.
1.956 cts. per KWH for the next 600 KWH.
1.807 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
2.065 cts. per KWH for the first 200 KWH.
1.832 cts. per KWH for the next 600 KWH.
1.692 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
1.923 cts. per KWH for the first 200 KWH.
1.706 cts. per KWH for the next 600 KWH.
1.576 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
1.765 cts. per KWH for the first 200 KWH.
1.566 cts. per KWH for the next 600 KWH.
1.446 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)
1.366 cts. per KWH for the first 200 KWH.
1.211 cts. per KWH for the next 600 KWH.
1.119 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)
4.067 cts. per KWH for the first 200 KWH.
3.543 cts. per KWH for the next 600 KWH.
3.230 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
4.172 cts. per KWH for the first 200 KWH.
3.636 cts. per KWH for the next 600 KWH.
3.316 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
4.295 cts. per KWH for the first 200 KWH.
3.746 cts. per KWH for the next 600 KWH.
3.417 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
4.435 cts. per KWH for the first 200 KWH.
3.870 cts. per KWH for the next 600 KWH.
3.532 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

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

- 4.577 cts. per KWH for the first 200 KWH.
- 3.996 cts. per KWH for the next 600 KWH.
- 3.648 cts. per KWH for all additional KWH.

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

- 4.735 cts. per KWH for the first 200 KWH.
- 4.136 cts. per KWH for the next 600 KWH.
- 3.778 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- 5.134 cts. per KWH for the first 200 KWH.
- 4.491 cts. per KWH for the next 600 KWH.
- 4.105 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 if the customer receives Basic Utility Supply Service from the Company.

(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)

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**(C)****Distribution Charge (Effective 1-1-99)**

\$ 2.84 per kilowatt for all kilowatts of the Billing KW.

0.137 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.107 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.103 cts. per KWH for all additional KWH.

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

2.073 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.624 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.560 cts. per KWH for all additional KWH.

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

1.948 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.526 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.466 cts. per KWH for all additional KWH.

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

1.817 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.423 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.367 cts. per KWH for all additional KWH.

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

1.677 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.314 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.262 cts. per KWH for all additional KWH.

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

1.543 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.208 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.161 cts. per KWH for all additional KWH.

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

1.402 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.098 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.055 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.074 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.841 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.808 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (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)

\$ 4.10 per kilowatt for all kilowatts of the Billing KW.

3.784 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.866 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.736 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.

3.909 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.964 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.830 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.

4.040 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.067 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.929 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.

4.180 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.176 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

3.034 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.

4.314 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.282 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

3.135 cts. per KWH for all additional KWH.

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

\$ 4.10 per kilowatt for all kilowatts of the Billing KW.

4.455 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.392 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

3.241 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

\$ 4.10 per kilowatt for all kilowatts of the Billing KW.

4.783 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.649 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

3.488 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

(C)

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.

The Monthly Minimum Bill is \$173.50 for service from lines below 69,000 volts and \$2,082.00 from lines of 69,000 volts and higher.

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(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)

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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

<u>Effective</u>	<u>Competitive Transition Charge</u>	<u>Capacity and Energy Charge</u>
1-1-99 through 12-31-99	1.867 cts. per KWH	0.994 cts. per KWH
1-1-00 through 12-31-00	1.754 cts. per KWH	1.107 cts. per KWH
1-1-01 through 12-31-01	1.635 cts. per KWH	1.226 cts. per KWH
1-1-02 through 12-31-02	1.509 cts. per KWH	1.352 cts. per KWH
1-1-03 through 12-31-03	1.388 cts. per KWH	1.473 cts. per KWH
1-1-04 through 12-31-04	1.261 cts. per KWH	1.600 cts. per KWH
1-1-05 through 9-30-05	0.966 cts. per KWH	1.895 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

- 1.780 cts. per KWH for the first 200 KWH.
- 1.580 cts. Per KWH for the next 600 KWH.
- 1.459 cts. Per KWH for all additional KWH.

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

- 2.433 cts. per KWH for the first 200 KWH.
- 2.159 cts. per KWH for the next 600 KWH.
- 1.994 cts. per KWH for all additional KWH.

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

- 2.328 cts. per KWH for the first 200 KWH.
- 2.066 cts. per KWH for the next 600 KWH.
- 1.908 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

RATE SCHEDULE GS-3 (CONTINUED)**Competitive Transition Charge (Effective 1-1-01 through 12-31-01)**

2.205 cts. per KWH for the first 200 KWH.
1.956 cts. per KWH for the next 600 KWH.
1.807 cts. per KWH for all additional KWH.

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

2.065 cts. per KWH for the first 200 KWH.
1.832 cts. per KWH for the next 600 KWH.
1.692 cts. per KWH for all additional KWH.

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

1.923 cts. per KWH for the first 200 KWH.
1.706 cts. per KWH for the next 600 KWH.
1.576 cts. per KWH for all additional KWH.

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

1.765 cts. per KWH for the first 200 KWH.
1.566 cts. per KWH for the next 600 KWH.
1.446 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.366 cts. per KWH for the first 200 KWH.
1.211 cts. per KWH for the next 600 KWH.
1.119 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)

4.182 cts. per KWH for the first 200 KWH.
3.658 cts. per KWH for the next 600 KWH.
3.345 cts. per KWH for all additional KWH.

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

4.287 cts. per KWH for the first 200 KWH.
3.751 cts. per KWH for the next 600 KWH KW.
3.431 cts. per KWH for all additional KWH.

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

4.410 cts. per KWH for the first 200 KWH.
3.861 cts. per KWH for the next 600 KWH.
3.532 cts. per KWH for all additional KWH.

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

4.550 cts. per KWH for the first 200 KWH.
3.985 cts. per KWH for the next 600 KWH.
3.647 cts. per KWH for all additional KWH.

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

4.692 cts. per KWH for the first 200 KWH.
4.111 cts. per KWH for the next 600 KWH.
3.763 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)

- 4.850 cts. per KWH for the first 200 KWH.
- 4.251 cts. per KWH for the next 600 KWH.
- 3.893 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- 5.249 cts. per KWH for the first 200 KWH.
- 4.606 cts. per KWH for the next 600 KWH.
- 4.220 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 if the customer receives Basic Utility Supply Service from the Company.

(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.

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.

(Continued)

(C) Indicates Change

RATE SCHEDULE GS-3 (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)

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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**(C)****Distribution Charge (Effective 1-1-99)**

\$ 1.75 per kilowatt for all kilowatts of the Billing KW.

0.022 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.017 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.015 cts. per KWH for all additional KWH.

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

2.015 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.555 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.358 cts. per KWH for all additional KWH.

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

1.909 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.474 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.287 cts. per KWH for all additional KWH.

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

1.797 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.387 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.211 cts. per KWH for all additional KWH.

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

1.675 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.293 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.129 cts. per KWH for all additional KWH.

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

1.552 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.198 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.046 cts. per KWH for all additional KWH.

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

1.418 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.095 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.956 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.093 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.844 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.737 cts. per KWH for all additional KWH.

(Continued)**(C) Indicates Change**

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE LP-4 (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)

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 3.723 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 2.791 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.390 cts. per KWH for all additional KWH.

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

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 3.829 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 2.872 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.461 cts. per KWH for all additional KWH.

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

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 3.941 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 2.959 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.537 cts. per KWH for all additional KWH.

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

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 4.063 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.053 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.619 cts. per KWH for all additional KWH.

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

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 4.186 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.148 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.702 cts. per KWH for all additional KWH.

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

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 4.320 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.251 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.792 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- \$ 4.69 per kilowatt for all kilowatts of the Billing KW.
- 4.645 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.502 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.011 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 LP-4 (CONTINUED)

MONTHLY MINIMUMS

(C)

The Minimum Billing Demand is 25 KW.

The Monthly Minimum Bill is \$161.00.

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(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)

(C)

(Continued)

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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

<u>Effective</u>	<u>Competitive Transition Charge</u>	<u>Capacity and Energy Charge</u>
1-1-99 through 12-31-99	1.720 cts. per KWH	1.350 cts. per KWH
1-1-00 through 12-31-00	1.629 cts. per KWH	1.441 cts. per KWH
1-1-01 through 12-31-01	1.533 cts. per KWH	1.537 cts. per KWH
1-1-02 through 12-31-02	1.428 cts. per KWH	1.642 cts. per KWH
1-1-03 through 12-31-03	1.322 cts. per KWH	1.748 cts. per KWH
1-1-04 through 12-31-04	1.208 cts. per KWH	1.862 cts. per KWH
1-1-05 through 9-30-05	0.931 cts. per KWH	2.139 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.

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.

(Continued)

(C) Indicates Change

RATE SCHEDULE LP-4 (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-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)

2.021 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.723 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.500 cts. per KWH for all additional KWH.

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

1.915 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.633 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.421 cts. per KWH for all additional KWH.

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

1.800 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.535 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.336 cts. per KWH for all additional KWH.

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

1.678 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.430 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.245 cts. per KWH for all additional KWH.

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

1.554 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.325 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.153 cts. per KWH for all additional KWH.

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

1.419 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.210 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.053 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.093 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.932 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.811 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

RATE SCHEDULE LP-5 (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)

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.105 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.604 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.228 cts. per KWH for all additional KWH.

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

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.211 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.694 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.307 cts. per KWH for all additional KWH.

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

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.326 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.792 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.392 cts. per KWH for all additional KWH.

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

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.448 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

2.897 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.483 cts. per KWH for all additional KWH.

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

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.572 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.002 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.575 cts. per KWH for all additional KWH.

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

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

3.707 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.117 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.675 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

\$ 5.701 per kilowatt for all kilowatts of the Billing KW.

4.033 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

3.395 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

2.917 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 LP-5 (CONTINUED)

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 Bill is \$1,797.00.

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(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)

(C)

(Continued)

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 October 1, 2005. For new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period. (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)
(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.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule. (C)

(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)

(C)

(C) Indicates Change

**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

(C)

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)

2.021 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

1.258 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.016 cts. per KWH for all additional KWH.

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

1.915 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

1.192 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.963 cts. per KWH for all additional KWH.

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

1.802 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

1.122 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.906 cts. per KWH for all additional KWH.

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

1.681 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

1.046 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.845 cts. per KWH for all additional KWH.

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

1.557 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.969 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.783 cts. per KWH for all additional KWH.

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

1.424 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.886 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.716 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.098 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.683 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.552 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE LP-6 (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)

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 2.705 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.572 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.213 cts. per KWH for all additional KWH.

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

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 2.811 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.638 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.266 cts. per KWH for all additional KWH.

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

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 2.924 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.708 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.323 cts. per KWH for all additional KWH.

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

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 3.045 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.784 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.384 cts. per KWH for all additional KWH.

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

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 3.169 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.861 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.446 cts. per KWH for all additional KWH.

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

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 3.302 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.944 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.513 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- \$ 5.685 per kilowatt for all kilowatts of the Billing KW.
- 3.628 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.147 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.677 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.

(Continued)

RATE SCHEDULE LP-6 (CONTINUED)

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 Bill is \$260,780.00.

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(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)

(C)

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 October 1, 2005. For new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(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)

(Continued)

(C) Indicates Change

RATE SCHEDULE LP-6 (CONTINUED)

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.

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 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.

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

4.265 cts. per KWH for the first 1,200,000 KWH.

4.021 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

2.636 cts. per KWH for all additional KWH.

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

4.108 cts. per KWH for the first 1,200,000 KWH.

3.873 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

2.539 cts. per KWH for all additional KWH.

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

3.923 cts. per KWH for the first 1,200,000 KWH.

3.699 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

2.425 cts. per KWH for all additional KWH.

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

3.708 cts. per KWH for the first 1,200,000 KWH.

3.496 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

2.292 cts. per KWH for all additional KWH.

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

3.487 cts. per KWH for the first 1,200,000 KWH.

3.287 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

2.155 cts. per KWH for all additional KWH.

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

3.234 cts. per KWH for the first 1,200,000 KWH.

3.049 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

1.999 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

2.529 cts. per KWH for the first 1,200,000 KWH.

2.384 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.

1.563 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE LPEP (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)

- \$ 4.80 per kilowatt for all kilowatts of the Billing KW.
- 0.643 cts. per KWH for the first 1,200,000 KWH.
- 0.588 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.278 cts. per KWH for all additional KWH.

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

- \$ 4.80 per kilowatt for all kilowatts of the Billing KW.
- 0.800 cts. per KWH for the first 1,200,000 KWH.
- 0.736 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.375 cts. per KWH for all additional KWH.

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

- \$ 4.80 per kilowatt for all kilowatts of the Billing KW.
- 0.985 cts. per KWH for the first 1,200,000 KWH.
- 0.910 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.489 cts. per KWH for all additional KWH.

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

- \$ 4.80 per kilowatt for all kilowatts of the Billing KW.
- 1.200 cts. per KWH for the first 1,200,000 KWH.
- 1.113 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.622 cts. per KWH for all additional KWH.

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

- \$ 4.80 per kilowatt for all kilowatts of the Billing KW.
- 1.421 cts. per KWH for the first 1,200,000 KWH.
- 1.322 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.759 cts. per KWH for all additional KWH.

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

- \$ 4.80 per kilowatt for all Billing KW.
- 1.674 cts. per KWH for the first 1,200,000 KWH.
- 1.560 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 0.915 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- \$ 4.80 per kilowatt for all Billing KW.
- 2.379 cts. per KWH for the first 1,200,000 KWH.
- 2.225 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.351 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 (C)

The Minimum Billing Demand is 20,000 KW.

The Monthly Minimum Bill is \$119,800.00.

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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period. (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)

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 October 1, 2005. For new applications, this provision is available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period. (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)

(Continued)

(C) Indicates Change

RATE SCHEDULE LPEP (CONTINUED)

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)

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 IS-1(R) (C)
INTERRUPTIBLE SERVICE TO GREENHOUSES

New applications for service under this Rate Schedule will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. (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, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

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)

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

1.720 cts. per KWH for all additional KWH.

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

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

1.616 cts. per KWH for all additional KWH.

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

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

1.508 cts. per KWH for all additional KWH.

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

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

1.395 cts. per KWH for all additional KWH.

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

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

1.284 cts. per KWH for all additional KWH.

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

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

1.167 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

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

0.890 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-1(R) (CONTINUED)

(C)

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)

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.353 cts. per KWH for all additional KWH.

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

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.457 cts. per KWH for all additional KWH.

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

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.565 cts. per KWH for all additional KWH.

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

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.678 cts. per KWH for all additional KWH.

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

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.789 cts. per KWH for all additional KWH.

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

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

1.906 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

\$ 2.27 per kilowatt for all kilowatts of the Billing KW.

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

2.183 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 BILL

(C)

The Monthly Minimum Bill 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.

(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 if the customer receives Basic Utility Supply Service from the Company.

(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.

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. 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 this Rate Schedule will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. (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, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

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)

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

1.384 cts. per KWH for all additional KWH.

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

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

1.311 cts. per KWH for all additional KWH.

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

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

1.233 cts. per KWH for all additional KWH.

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

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

1.149 cts. per KWH for all additional KWH.

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

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

1.064 cts. per KWH for all additional KWH.

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

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

0.972 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

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

0.749 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

Issued July 17, 1998

Effective January 1, 1999

RATE SCHEDULE IS-P (R) (CONTINUED)

(C)

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)

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 2.741 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.597 cts. per KWH for all additional KWH.

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

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 2.857 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.670 cts. per KWH for all additional KWH.

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

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 2.980 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.748 cts. per KWH for all additional KWH.

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

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 3.114 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.832 cts. per KWH for all additional KWH.

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

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 3.249 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 1.917 cts. per KWH for all additional KWH.

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

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 3.395 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.009 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- \$ 4.16 per kilowatt for all kilowatts of the Billing KW.
- 3.748 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.232 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

(C)

The Minimum Billing Demand is 25 KW.

The Monthly Minimum Bill is \$207.00.

(Continued)

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 20 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 200 hours in a calendar year. 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.

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 plus the Company's estimated PJM Interconnection billing rate applied to all KWH used during the interruption period.

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.

(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.

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)

(C) Indicates Change

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

(C)

New applications for service under this Rate Schedule will be accepted only for customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier.

(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, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

(C)

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 5.87 per kilowatt for all kilowatts of the Billing KW.

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

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

1.448 cts. per KWH for all additional KWH.

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

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

1.372 cts. per KWH for all additional KWH.

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

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

1.290 cts. per KWH for all additional KWH.

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

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

1.203 cts. per KWH for all additional KWH.

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

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

1.114 cts. per KWH for all additional KWH.

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

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

1.018 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

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

0.784 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

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)

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.295 cts. per KWH for the first 400 hours use of Billing KW.
- 1.417 cts. per KWH for all additional KWH.

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

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.409 cts. per KWH for the first 400 hours use of Billing KW.
- 1.493 cts. per KWH for all additional KWH.

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

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.531 cts. per KWH for the first 400 hours use of Billing KW.
- 1.575 cts. per KWH for all additional KWH.

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

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.661 cts. per KWH for the first 400 hours use of Billing KW.
- 1.662 cts. per KWH for all additional KWH.

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

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.795 cts. per KWH for the first 400 hours use of Billing KW.
- 1.751 cts. per KWH for all additional KWH.

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

- \$ 1.91 per kilowatt for all kilowatts of the Billing KW.
- 2.938 cts. per KWH for the first 400 hours use of Billing KW.
- 1.847 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- \$ 1.91 per kilowatt for kilowatts of the Billing KW.
- 3.288 cts. per KWH for the first 400 hours use of Billing KW.
- 2.081 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 Bill is \$2,334.00.

(Continued)

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 20 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 200 hours in a calendar year. 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.

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 plus the Company's estimated PJM Interconnection billing rate applied to all KWH used during the interruption period.

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.

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)

(C) Indicates Change

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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**(C)**

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)

2.142 cts. per KWH

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

2.012 cts. per KWH

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

1.877 cts. per KWH

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

1.732 cts. per KWH

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

1.594 cts. per KWH

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

1.448 cts. per KWH

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.109 cts. per KWH

(Continued)

RATE SCHEDULE BL (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)
3.044 cts. per KWH

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
3.174 cts. per KWH

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
3.309 cts. per KWH

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
3.454 cts. per KWH

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
3.592 cts. per KWH

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
3.738 cts. per KWH

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)
4.077 cts. per 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.

(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.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

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.

(C)

(C) Indicates Change

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)
\$ 1.882 per lamp.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
\$ 1.767 per lamp.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
\$ 1.645 per lamp.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
\$ 1.533 per lamp.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
\$ 1.394 per lamp.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
\$ 1.261 per lamp.
- Competitive Transition Charge (Effective 1-1-05 through 9-30-05)
\$ 0.968 per lamp.

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)
\$ 1.011 per lamp.
- Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
\$ 1.126 per lamp.
- Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
\$ 1.248 per lamp.
- Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
\$ 1.360 per lamp.
- Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
\$ 1.499 per lamp.
- Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
\$ 1.632 per lamp.
- Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)
\$ 1.925 per lamp.

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(C) Indicates Change

RATE SCHEDULE SA (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.

The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

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)

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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.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

(Continued)

(C) Indicates Change

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.

(C)

**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)

LAMP DESCRIPTION Type	NOMINAL		OVERHEAD SUPPLY		UNDERGROUND SUPPLY			MULTIPLE UNITS
	Lumens	Wattage	Wood Pole	Metal Pole	Wood Pole	Low Mounting	High Mounting	Additional Luminaire/Pole
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	\$ 1.280	—	\$1.280	\$1.280	—	—
Mercury Vapor	6,650	175	1.999	\$1.999	1.999	1.999	\$1.999	\$ 1.999
Mercury Vapor	10,500	250	2.795	2.795	—	—	2.795	2.795
Mercury Vapor	20,000	400	4.429	4.429	—	—	4.429	4.100
Mercury Vapor	34,000	700	7.550	7.550	—	—	7.550	7.112
Mercury Vapor	51,000	1,100	9.605	10.434	—	—	10.434	9.054

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	\$ 1.202	—	\$1.202	\$1.202	—	—
Mercury Vapor	6,650	175	1.877	\$1.877	1.877	1.877	\$1.877	\$ 1.877
Mercury Vapor	10,500	250	2.623	2.623	—	—	2.623	2.623
Mercury Vapor	20,000	400	4.158	4.158	—	—	4.158	4.100
Mercury Vapor	34,000	700	7.087	7.087	—	—	7.087	7.087
Mercury Vapor	51,000	1,100	9.605	9.794	—	—	9.794	9.054

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	\$ 1.119	—	\$1.119	\$1.119	—	—
Mercury Vapor	6,650	175	1.748	\$1.748	1.748	1.748	\$1.748	\$ 1.748
Mercury Vapor	10,500	250	2.443	2.443	—	—	2.443	2.443
Mercury Vapor	20,000	400	3.872	3.872	—	—	3.872	3.872
Mercury Vapor	34,000	700	6.601	6.601	—	—	6.601	6.601
Mercury Vapor	51,000	1,100	9.122	9.122	—	—	9.122	9.054

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	\$ 1.043	—	\$1.043	\$1.043	—	—
Mercury Vapor	6,650	175	1.628	\$1.628	1.628	1.628	\$1.628	\$ 1.628
Mercury Vapor	10,500	250	2.276	2.276	—	—	2.276	2.276
Mercury Vapor	20,000	400	3.607	3.607	—	—	3.607	3.607
Mercury Vapor	34,000	700	6.149	6.149	—	—	6.149	6.149
Mercury Vapor	51,000	1,100	8.498	8.498	—	—	8.498	8.498

(Continued)

RATE SCHEDULE SM (CONTINUED)

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

LAMP DESCRIPTION			OVERHEAD SUPPLY		UNDERGROUND SUPPLY			MULTIPLE UNITS
Type	Nominal Lumens	Wattage	Wood Pole	Metal Pole	Wood Pole	Low High Mounting	High Mounting	Additional Luminaire/Pole
Mercury Vapor	3,350	100	\$ 0.948	—	\$0.948	\$0.948	—	—
Mercury Vapor	6,650	175	1.480	\$1.480	1.480	1.480	\$1.480	\$ 1.480
Mercury Vapor	10,500	250	2.069	2.069	—	—	2.069	2.069
Mercury Vapor	20,000	400	3.279	3.279	—	—	3.279	3.279
Mercury Vapor	34,000	700	5.590	5.590	—	—	5.590	5.590
Mercury Vapor	51,000	1,100	7.726	7.726	—	—	7.726	7.726

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

LAMP DESCRIPTION			OVERHEAD SUPPLY		UNDERGROUND SUPPLY			MULTIPLE UNITS
Type	Nominal Lumens	Wattage	Wood Pole	Metal Pole	Wood Pole	Low High Mounting	High Mounting	Additional Luminaire/Pole
Mercury Vapor	3,350	100	\$ 0.857	—	\$0.857	\$0.857	—	—
Mercury Vapor	6,650	175	1.339	\$1.339	1.339	1.339	\$1.339	\$ 1.339
Mercury Vapor	10,500	250	1.872	1.872	—	—	1.872	1.872
Mercury Vapor	20,000	400	2.967	2.967	—	—	2.967	2.967
Mercury Vapor	34,000	700	5.058	5.058	—	—	5.058	5.058
Mercury Vapor	51,000	1,100	6.989	6.989	—	—	6.989	6.989

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

LAMP DESCRIPTION			OVERHEAD SUPPLY		UNDERGROUND SUPPLY			MULTIPLE UNITS
Type	Nominal Lumens	Wattage	Wood Pole	Metal Pole	Wood Pole	Low High Mounting	High Mounting	Additional Luminaire/Pole
Mercury Vapor	3,350	100	\$ 0.658	—	\$0.658	\$0.658	—	—
Mercury Vapor	6,650	175	1.028	\$1.028	1.028	1.028	\$1.028	\$ 1.028
Mercury Vapor	10,500	250	1.437	1.437	—	—	1.437	1.437
Mercury Vapor	20,000	400	2.277	2.277	—	—	2.277	2.277
Mercury Vapor	34,000	700	3.882	3.882	—	—	3.882	3.882
Mercury Vapor	51,000	1,100	5.365	5.365	—	—	5.365	5.365

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)

LAMP DESCRIPTION			OVERHEAD SUPPLY		UNDERGROUND SUPPLY			MULTIPLE UNITS
Type	Nominal Lumens	Wattage	Wood Pole	Metal Pole	Wood Pole	Low High Mounting	High Mounting	Additional Luminaire/Pole
Mercury Vapor	3,350	100	\$ 1.109	—	\$2.686	\$3.081	—	—
Mercury Vapor	6,650	175	0.912	\$2.564	2.582	2.964	\$3.570	\$ 0.396
Mercury Vapor	10,500	250	0.927	2.656	—	—	3.490	0.608
Mercury Vapor	20,000	400	0.241	2.001	—	—	2.897	0.000
Mercury Vapor	34,000	700	0.079	1.843	—	—	3.055	0.000
Mercury Vapor	51,000	1,100	0.000	0.951	—	—	2.229	0.000

(Continued)

RATE SCHEDULE SM (CONTINUED)

Capacity and Energy 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	\$ 1.187	—	\$2.764	\$3.159	—	—
Mercury Vapor	6,650	175	1.034	\$2.686	2.704	3.086	\$3.692	\$ 0.518
Mercury Vapor	10,500	250	1.099	2.828	—	—	3.662	0.780
Mercury Vapor	20,000	400	0.512	2.272	—	—	3.168	0.000
Mercury Vapor	34,000	700	0.542	2.306	—	—	3.518	0.025
Mercury Vapor	51,000	1,100	0.000	1.591	—	—	2.869	0.000

Capacity and Energy 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	\$ 1.270	—	\$2.847	\$3.242	—	—
Mercury Vapor	6,650	175	1.163	\$2.815	2.833	3.215	\$3.821	\$ 0.647
Mercury Vapor	10,500	250	1.279	3.008	—	—	3.842	0.960
Mercury Vapor	20,000	400	0.798	2.558	—	—	3.454	0.228
Mercury Vapor	34,000	700	1.028	2.792	—	—	4.004	0.511
Mercury Vapor	51,000	1,100	0.483	2.263	—	—	3.541	0.000

Capacity and Energy 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	\$ 1.346	—	\$2.923	\$3.318	—	—
Mercury Vapor	6,650	175	1.283	\$2.935	2.953	3.335	\$3.941	\$ 0.767
Mercury Vapor	10,500	250	1.446	3.175	—	—	4.009	1.127
Mercury Vapor	20,000	400	1.063	2.823	—	—	3.719	0.493
Mercury Vapor	34,000	700	1.480	3.244	—	—	4.456	0.963
Mercury Vapor	51,000	1,100	1.107	2.887	—	—	4.165	0.556

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

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	\$ 1.441	—	\$3.018	\$3.413	—	—
Mercury Vapor	6,650	175	1.431	\$3.083	3.101	\$3.483	\$4.089	\$ 0.915
Mercury Vapor	10,500	250	1.653	3.382	—	—	4.216	1.334
Mercury Vapor	20,000	400	1.391	3.151	—	—	4.047	0.821
Mercury Vapor	34,000	700	2.039	3.803	—	—	5.015	1.522
Mercury Vapor	51,000	1,100	1.879	3.659	—	—	4.937	1.328

(Continued)

RATE SCHEDULE SM (CONTINUED)

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

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	\$ 1.532	—	\$ 3.109	\$3.504	—	—
Mercury Vapor	6,650	175	1.572	\$3.224	3.242	3.624	\$4.230	\$ 1.056
Mercury Vapor	10,500	250	1.850	3.579	—	—	4.413	1.531
Mercury Vapor	20,000	400	1.703	3.463	—	—	4.359	1.133
Mercury Vapor	34,000	700	2.571	4.335	—	—	5.547	2.054
Mercury Vapor	51,000	1,100	2.616	4.396	—	—	5.674	2.065

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

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	\$ 1.731	—	\$3.308	\$3.703	—	—
Mercury Vapor	6,650	175	1.883	\$3.535	3.553	3.935	\$4.541	\$ 1.367
Mercury Vapor	10,500	250	2.285	4.014	—	—	4.848	1.966
Mercury Vapor	20,000	400	2.393	4.153	—	—	5.049	1.823
Mercury Vapor	34,000	700	3.747	5.511	—	—	6.723	3.230
Mercury Vapor	51,000	1,100	4.240	6.020	—	—	7.298	3.689

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.

(2) The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(3) The Company, at its option, may offer appropriate overhead rates set forth above to customers in recognition of their either installing, owning and/or paying for portions of a street lighting installation.

(4) Whenever customer requests an installation hereunder which requires an investment by the Company greater than five (5) times the estimated annual revenue, the Company, at its option, may install the lamps as requested upon payment by the customer of such estimated excess costs.

(Continued)

RATE SCHEDULE SM (CONTINUED)**STANDARD INSTALLATION AND SERVICE**

All necessary street lighting facilities are supplied, installed, operated and maintained by Company and are connected to Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by Company at the time service is originally contracted for.

Wood Pole Overhead Service. Lamps are mounted on Company's wood poles or on other supports not supplied by Company specifically for street lighting purposes, and are supplied by overhead wires. Lamp fixtures are mounted on brackets or mast arms. A standard installation under the above rates includes one span of secondary per location.

Metal Pole Overhead Service. Lamps are mounted on steel street lighting poles not exceeding 35 feet in height and supplied by overhead wires. A standard installation under the above rates includes one span of secondary per location.

Wood Pole Underground Service. Lamps are mounted on Company's wood or fiberglass street lighting poles and are supplied by underground wires. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

Low Mounting Underground Service. Lamps are mounted on Company's low mounting street lighting poles and are supplied by underground cable. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

High Mounting Underground Service. Lamps are mounted on metal street lighting poles not exceeding 35 feet in height and supplied by underground cable. A standard installation under the above rates includes a maximum of 175 circuit feet of cable and trenching and backfilling.

All lamps are lighted from dusk to dawn every night, or for approximately 4,300 hours per annum.

CONTINUOUS OPERATION

At customer request, individual lamps may be operated continuously 24 hours per day. The net monthly rate for continuous operation shall be 160% of the aforementioned applicable net monthly rates.

SPECIAL INSTALLATIONS

Whenever customer requests an installation that is not in conformity with the aforementioned STANDARD INSTALLATION AND SERVICE provisions, Company may, at its option, install the lamps as requested upon payment in advance by the customer of the estimated installed cost of facilities required in excess of that required for standard installation or of the excess investment in special equipment over that of standard equipment. The maintenance of special equipment is subject to (1) time and ability to obtain replacement, and (2) advance payment of the then excess cost over standard for each replacement.

(Continued)

RATE SCHEDULE SM (CONTINUED)

CUSTOMER CONTRIBUTION

When the Company permits the customer to finance all or a portion of the Company's cost of a street lighting installation, the Company will recognize this financing by crediting customer's street lighting account over 120 consecutive bills with an amount equal to customer's contribution plus interest.

REMOVALS

If customer requests Company to remove any part of a mercury vapor street lighting system to install another mercury vapor street lighting system or any other type of street lighting system and if the mercury vapor luminaires, supporting brackets, poles and/or conductors which are removed as a result of any requested removal, are less than ten years old, Company will charge for and Customer shall pay for such a change. The charge will be based upon Company's estimated costs for removal and rehabilitation plus the estimated remaining life value of the removed equipment less salvage. However, if the Customer's request is made to upgrade the lighting on the street to Illuminating Engineering Society standards, the Company may waive the charge calculated hereunder.

CUSTOMER-OWNED EQUIPMENT

(C)

Whenever the customer furnishes, installs and owns the entire lighting system using equipment approved by and installed in a manner acceptable to the Company, the Company may, at its discretion, operate and maintain the system at the following net monthly rates.

Distribution Charge (Effective 1-1-99)

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum</u>	<u>Initial Lumens</u>	
100	3,350		\$ 4.203
175	6,650		6.024
250	10,500		8.100
400	20,000		11.638

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum</u>	<u>Initial Lumens</u>	
100	3,350		\$ 1.280
175	6,650		1.865
250	10,500		2.496
400	20,000		3.537

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum</u>	<u>Initial Lumens</u>	
100	3,350		\$ 1.202
175	6,650		1.865
250	10,500		2.496
400	20,000		3.537

(Continued)

(C) Indicates Change

RATE SCHEDULE SM (CONTINUED)

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 1.119
175	6,650		1.748
250	10,500		2.443
400	20,000		3.537

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 1.043
175	6,650		1.628
250	10,500		2.276
400	20,000		3.537

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 0.948
175	6,650		1.480
250	10,500		2.069
400	20,000		3.279

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 0.857
175	6,650		1.339
250	10,500		1.872
400	20,000		2.967

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 0.658
175	6,650		1.028
250	10,500		1.437
400	20,000		2.277

(Continued)

RATE SCHEDULE SM (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)

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 0.035
175	6,650	0.000
250	10,500	0.000
400	20,000	0.000

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

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 0.113
175	6,650	0.000
250	10,500	0.000
400	20,000	0.000

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

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 0.196
175	6,650	0.117
250	10,500	0.053
400	20,000	0.000

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

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 0.272
175	6,650	0.237
250	10,500	0.220
400	20,000	0.000

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

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 0.367
175	6,650	0.385
250	10,500	0.427
400	20,000	0.258

(Continued)

RATE SCHEDULE SM (CONTINUED)

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

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 0.458
175	6,650		0.526
250	10,500		0.624
400	20,000		0.570

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

<u>Wattage</u>	<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
	<u>Minimum Initial Lumens</u>		
100	3,350		\$ 0.657
175	6,650		0.837
250	10,500		1.059
400	20,000		1.260

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.

The Company's responsibility under the aforementioned charges for maintaining the customer-owned lighting system is limited to relamping, cleaning fixtures, and painting poles requiring paint, but does not include relocating or replacing all or any part of the street lighting facilities.

(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.

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 SM (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 30 days from the date bill is mailed for municipalities and other governmental agencies and 15 days for private owner or agencies. 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

Ten (10) years and thereafter until terminated in accordance with contract provisions.

**RATE SCHEDULE SHS
 HIGH PRESSURE SODIUM STREET LIGHTING SERVICE**

APPLICATION OF RATE SCHEDULE SHS

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) metal pole overhead - existing locations served under another of the Company's street lighting rate schedules and locations previously served under Hershey Electric Company Rate Schedule SMVO.

NET MONTHLY RATE

(C)

(1) Lamp Prices

Distribution Charge (Effective 1-1-99)

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
H.P. Sodium	5,800	70	\$ 7.130	\$ 10.053	\$ 11.702	\$ 11.810	—	\$ 6.383
H.P. Sodium	9,500	100	8.004	10.720	12.710	12.784	\$ 15.469	7.221
H.P. Sodium	16,000	150	9.011	11.601	—	—	16.336	7.557
H.P. Sodium	25,500	250	12.657	14.915	—	—	22.660	10.439
H.P. Sodium	50,000	400	16.660	18.613	—	—	26.477	12.828

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
H.P. Sodium	5,800	70	\$ 0.776	\$ 0.776	\$ 0.776	\$ 0.776	—	\$ 0.776
H.P. Sodium	9,500	100	1.113	1.113	1.113	1.113	\$ 1.113	1.113
H.P. Sodium	16,000	150	1.637	1.637	—	—	1.637	1.637
H.P. Sodium	25,500	250	2.954	2.954	—	—	2.954	2.954
H.P. Sodium	50,000	400	4.636	4.636	—	—	4.636	3.929

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
H.P. Sodium	5,800	70	\$ 0.728	\$ 0.728	\$ 0.728	\$ 0.728	—	\$ 0.728
H.P. Sodium	9,500	100	1.044	1.044	1.044	1.044	\$ 1.044	1.044
H.P. Sodium	16,000	150	1.536	1.536	—	—	1.536	1.536
H.P. Sodium	25,500	250	2.772	2.772	—	—	2.772	2.772
H.P. Sodium	50,000	400	4.351	4.351	—	—	4.351	3.929

(Continued)

(C) Indicates Change

RATE SCHEDULE SHS (CONTINUED)

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
H.P.Sodium	5,800	70	\$ 0.678	\$ 0.678	\$ 0.678	\$ 0.678	—	\$ 0.678
H.P.Sodium	9,500	100	0.973	0.973	0.973	0.973	\$ 0.973	0.973
H.P.Sodium	16,000	150	1.431	1.431	—	—	1.431	1.431
H.P.Sodium	25,500	250	2.582	2.582	—	—	2.582	2.582
H.P.Sodium	50,000	400	4.053	4.053	—	—	4.053	3.929

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
H.P.Sodium	5,800	70	\$ 0.632	\$ 0.632	\$ 0.632	\$ 0.632	—	\$ 0.632
H.P.Sodium	9,500	100	0.906	0.906	0.906	0.906	\$ 0.906	0.906
H.P.Sodium	16,000	150	1.333	1.333	—	—	1.333	1.333
H.P.Sodium	25,500	250	2.405	2.405	—	—	2.405	2.405
H.P.Sodium	50,000	400	3.775	3.775	—	—	3.775	3.775

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

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
H.P.Sodium	5,800	70	\$ 0.574	\$ 0.574	\$ 0.574	\$ 0.574	—	\$ 0.574
H.P.Sodium	9,500	100	0.824	0.824	0.824	0.824	\$ 0.824	0.824
H.P.Sodium	16,000	150	1.212	1.212	—	—	1.212	1.212
H.P.Sodium	25,500	250	2.187	2.187	—	—	2.187	2.187
H.P.Sodium	50,000	400	3.432	3.432	—	—	3.432	3.432

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

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
H.P.Sodium	5,800	70	\$ 0.520	\$ 0.520	\$ 0.520	\$ 0.520	—	\$ 0.520
H.P.Sodium	9,500	100	0.745	0.745	0.745	0.745	\$ 0.745	0.745
H.P.Sodium	16,000	150	1.096	1.096	—	—	1.096	1.096
H.P.Sodium	25,500	250	1.978	1.978	—	—	1.978	1.978
H.P.Sodium	50,000	400	3.105	3.105	—	—	3.105	3.105

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

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
H.P.Sodium	5,800	70	\$ 0.399	\$ 0.399	\$ 0.399	\$ 0.399	—	\$ 0.399
H.P.Sodium	9,500	100	0.572	0.572	0.572	0.572	\$ 0.572	0.572
H.P.Sodium	16,000	150	0.841	0.841	—	—	0.841	0.841
H.P.Sodium	25,500	250	1.519	1.519	—	—	1.519	1.519
H.P.Sodium	50,000	400	2.384	2.384	—	—	2.384	2.384

(Continued)

RATE SCHEDULE SHS (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)

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
H.P.Sodium	5,800	70	\$ 1.620	\$ 2.639	\$ 3.215	\$ 3.247	—	\$ 1.359
H.P.Sodium	9,500	100	1.549	2.496	3.190	3.216	\$ 4.153	1.275
H.P.Sodium	16,000	150	1.314	2.218	—	—	3.869	0.813
H.P.Sodium	25,500	250	1.115	1.900	—	—	4.603	0.339
H.P.Sodium	50,000	400	0.630	1.311	—	—	4.055	0.000

Capacity and Energy 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
H.P.Sodium	5,800	70	\$ 1.668	\$ 2.687	\$ 3.263	\$ 3.295	—	\$ 1.407
H.P.Sodium	9,500	100	1.618	2.565	3.259	3.285	\$ 4.222	1.344
H.P.Sodium	16,000	150	1.415	2.319	—	—	3.970	0.914
H.P.Sodium	25,500	250	1.297	2.082	—	—	4.785	0.521
H.P.Sodium	50,000	400	0.915	1.596	—	—	4.340	0.000

Capacity and Energy 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
H.P.Sodium	5,800	70	\$ 1.718	\$ 2.737	\$ 3.313	\$ 3.345	—	\$ 1.457
H.P.Sodium	9,500	100	1.689	2.636	3.330	3.356	\$ 4.293	1.415
H.P.Sodium	16,000	150	1.520	2.424	—	—	4.075	1.019
H.P.Sodium	25,500	250	1.487	2.272	—	—	4.975	0.711
H.P.Sodium	50,000	400	1.213	1.894	—	—	4.638	0.000

Capacity and Energy 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
H.P.Sodium	5,800	70	\$ 1.764	\$ 2.783	\$ 3.359	\$ 3.391	—	\$ 1.503
H.P.Sodium	9,500	100	1.756	2.703	3.397	3.423	\$ 4.360	1.482
H.P.Sodium	16,000	150	1.618	2.522	—	—	4.173	1.117
H.P.Sodium	25,500	250	1.664	2.449	—	—	5.152	0.888
H.P.Sodium	50,000	400	1.491	2.172	—	—	4.916	0.154

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

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
H.P.Sodium	5,800	70	\$ 1.822	\$ 2.841	\$ 3.417	\$ 3.449	—	\$ 1.561
H.P.Sodium	9,500	100	1.838	2.785	3.479	3.505	\$ 4.442	1.564
H.P.Sodium	16,000	150	1.739	2.643	—	—	4.294	1.238
H.P.Sodium	25,500	250	1.882	2.667	—	—	5.370	1.106
H.P.Sodium	50,000	400	1.834	2.515	—	—	5.259	0.497

(Continued)

RATE SCHEDULE SHS (CONTINUED)

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

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
H.P.Sodium	5,800	70	\$ 1.876	\$ 2.895	\$ 3.471	\$ 3.503	---	\$ 1.615
H.P.Sodium	9,500	100	1.917	2.864	3.558	3.584	\$ 4.521	1.643
H.P.Sodium	16,000	150	1.855	2.759	---	---	4.410	1.354
H.P.Sodium	25,500	250	2.091	2.876	---	---	5.579	1.315
H.P.Sodium	50,000	400	2.161	2.842	---	---	5.586	0.824

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

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
H.P.Sodium	5,800	70	\$ 1.997	\$ 3.016	\$ 3.592	\$ 3.624	---	\$ 1.736
H.P.Sodium	9,500	100	2.090	3.037	3.731	3.757	\$ 4.694	1.816
H.P.Sodium	16,000	150	2.110	3.014	---	---	4.665	1.609
H.P.Sodium	25,500	250	2.550	3.335	---	---	6.038	1.774
H.P.Sodium	50,000	400	2.882	3.563	---	---	6.307	1.545

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.

(2) The number of KWH supplied is based upon the average house use and input wattage of each luminaire.

(3) The Company, at its option, may offer appropriate overhead rates set forth above to customers in recognition of their either installing, owning and/or paying for portions of a street lighting installation.

(4) Whenever customer requests an installation hereunder which requires an investment by the Company greater than five (5) times the estimated annual revenue, the Company, at its option, may install the lamps as requested upon payment by the customer of such estimated excess costs.

(Continued)

RATE SCHEDULE SHS (CONTINUED)**STANDARD INSTALLATION AND SERVICE**

All necessary street lighting facilities are supplied, installed, operated and maintained by Company and are connected to Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by Company at the time service is contracted for.

Wood Pole Overhead Service. Lamps are mounted on Company's wood poles, or other supports not supplied by Company specifically for street lighting purposes, and are supplied by overhead wires. Luminaires are mounted on brackets or mast arms. A standard installation under the above rates includes one span of secondary conductor per location.

Metal Pole Overhead Service. Lamps are mounted on Company's existing metal poles served by overhead wires. No new overhead supplied metal pole installations will be made under this rate schedule.

Wood Pole Underground Service. Lamps are mounted on Company's wood or fiberglass street lighting poles and are supplied by underground wires. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

Low Mounting Underground Service. Lamps are mounted on Company's low mounting street lighting poles and are supplied by underground cable. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

High Mounting Underground Service. Lamps are mounted on Company's high mounting metal street lighting poles not exceeding 35 feet in height and are supplied by underground cable. A standard installation under the above rates includes a maximum of 175 circuit feet of cable and trenching and backfilling.

Multiple Unit Service. When practical, each additional lamp after the first mounted on a street lighting pole is billed under the above Multiple Unit rate. A standard installation under the above rates includes only the luminaire, lamp, photocontrol, bracket or mast arm and wire in the bracket or mast arm.

All lamps are lighted from dusk to dawn every night, or for approximately 4,300 hours per annum.

CONTINUOUS OPERATION

At customer request, individual lamps may be operated continuously 24 hours per day. The net monthly rate for continuous operation shall be 160% of the aforementioned applicable net monthly rates.

SPECIAL INSTALLATIONS

Whenever customer requests an installation that is not in conformity with the aforementioned STANDARD INSTALLATION AND SERVICE provisions, Company may, at its option, install the lamps as requested upon payment in advance by the customer of the estimated installed cost of facilities required in excess of that required for standard installation or of the excess investment in special equipment over that of standard equipment. The maintenance of special equipment is subject to (1) time and ability to obtain replacement, and (2) advance payment of the then excess cost over standard for each replacement.

(Continued)

RATE SCHEDULE SHS (CONTINUED)

CUSTOMER CONTRIBUTION

When the Company permits the customer to finance all or a portion of the Company's cost of a street lighting installation, the Company will recognize this financing by crediting customer's street lighting account over 120 consecutive bills with an amount equal to customer's contribution plus interest.

REMOVALS

If customer requests Company to remove any part of a mercury vapor street lighting system to install high pressure sodium street lighting equipment or to remove any part of a high pressure sodium street lighting system to install another high pressure sodium street lighting system or any other type of street lighting system and if the mercury vapor or high pressure sodium luminaires, supporting brackets, poles and/or conductors which are to be removed as a result of any requested removal, are less than ten years old, Company will charge for and Customer shall pay for such a change. The charge will be based upon Company's estimated costs for removal and rehabilitation plus the estimated remaining life value of the removed equipment less salvage. However, if the Customer's request is made to upgrade the lighting on the street to Illuminating Engineering Society standards, the Company may waive the charge calculated hereunder.

(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.

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 30 days from the date bill is mailed for municipalities and other governmental agencies and 15 days for private owner or agencies. 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

Ten (10) years and thereafter until terminated in accordance with contract provisions.

RATE SCHEDULE SE
 ENERGY ONLY STREET LIGHTING SERVICE

APPLICATION OF RATE SCHEDULE SE

This Rate Schedule is available only to municipalities or other governmental agencies for the operation of mercury vapor, high pressure sodium, or metal halide street lighting systems on public areas such as streets, highways, bridges and parks where the municipality or other governmental agency provides for the installation, ownership, operation and maintenance of the street lighting equipment.

NET MONTHLY RATE

(C)

(1) Distribution Charge (Effective 1-1-99)	
Street Lighting Equipment on Company Pole.....	6.125 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	2.729 cts. per KWH
Competitive Transition Charge (Effective 1-1-99 through 12-31-99)	
Street Lighting Equipment on Company Pole.....	1.829 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-00 through 12-31-00)	
Street Lighting Equipment on Company Pole.....	1.829 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-01 through 12-31-01)	
Street Lighting Equipment on Company Pole.....	1.829 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-02 through 12-31-02)	
Street Lighting Equipment on Company Pole.....	1.829 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-03 through 12-31-03)	
Street Lighting Equipment on Company Pole.....	1.829 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-04 through 12-31-04)	
Street Lighting Equipment on Company Pole.....	1.747 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH
Competitive Transition Charge (Effective 1-1-05 through 9-30-05)	
Street Lighting Equipment on Company Pole.....	1.341 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.644 cts. per KWH

(Continued)

(C) Indicates Change

RATE SCHEDULE SE (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)	
Street Lighting Equipment on Company Pole.....	0.000 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)	
Street Lighting Equipment on Company Pole.....	0.000 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)	
Street Lighting Equipment on Company Pole.....	0.000 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Competitive Transition Charge (Effective 1-1-02 through 12-31-02)	
Street Lighting Equipment on Company Pole.....	0.000 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)	
Street Lighting Equipment on Company Pole.....	0.000 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)	
Street Lighting Equipment on Company Pole.....	0.082 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per KWH
Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)	
Street Lighting Equipment on Company Pole.....	0.488 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	0.000 cts. per 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.

(2) Service hereunder is unmetered with the number of KWH billed for each size lamp calculated based upon the estimated input wattage of the luminaire and 4,300 burning hours per year.

MINIMUM SYSTEM

Application is limited to mercury vapor, high pressure sodium, or metal halide street lights in systems of a minimum of 100 contiguous lamps of one customer. Customer-owned street lights served hereunder may not be intermixed with street lights served under the Company's other street lighting rate schedules.

The 100 lamp minimum may, at Company's option, be waived when a customer desires to take service for its entire street lighting requirements hereunder and said total requirement is less than the 100 lamp minimum.

(Continued)

RATE SCHEDULE SE (CONTINUED)**INITIAL SYSTEM AND FUTURE ADDITIONS**

The Customer provides advance written notice to Company (at least 90 days for initial systems or 30 days for additions to existing systems) of its intentions to install customer-owned street lighting hereunder. The notification includes the location, wattage, lumen size, type of equipment and proposed installation date. In addition, for customer-owned street lighting proposed for installation on Company's poles the customer provides the construction specifications for Company's approval.

STANDARD INSTALLATION AND SERVICE

Street Lighting Equipment on Company Wood Pole: The customer provides, installs, operates and maintains the street lighting luminaire, lamp, control, bracket and the wire from the luminaire to the point of connection with the Company's overhead general distribution system. The Company provides, installs, operates and maintains the wood pole and the overhead secondary wire from Company's general distribution system to the point of connection with customer's wire. Generally, the customer will attach its street lighting system to Company's existing poles; but the Company at its option provides, installs, operates and maintains a maximum of one wood pole and one span of secondary conductor to new locations requested by the customer. The installation by Company in excess of one wood pole and one span of secondary conductor to serve a customer-owned street light is at customer's expense.

Street Lighting Equipment on Customer Pole or Support: The customer provides, installs, operates and maintains the street lighting luminaire, lamp, control, bracket, pole or support, foundation and wire between poles or supports. The Company provides, installs, operates and maintains one span of overhead secondary conductor to a group of street lights, as defined by Company, on customer-owned poles or supports. The installation by Company in excess of one span of overhead secondary to a group of customer-owned street lights is at customer's expense.

Customer-owned street lighting equipment mounted on poles or supports of other utilities with whom Company has joint-use agreements are billed at the rate for Street Lighting Equipment on Company Poles.

Customer-owned street lighting installed as multiple units on a Company or other utility pole are billed at the rate for Street Lighting Equipment on customer Pole or Support. Multiple units are defined hereunder as additional lamps installed on a Company or other utility pole already supporting customer-owned street lighting equipment.

Customer-owned street lighting equipment is installed in accordance with Company and industry safety codes and, where installed on Company poles, in accordance with general Company specifications for similar equipment.

Any rearrangements, replacements or relocations of Company's electric distribution system required solely for the installation, operation or maintenance of customer's street lighting equipment are at customer's expense.

The Company makes all connections of customer's street lighting system to the Company's available general distribution system. Generally customer-owned street lighting equipment will be served at 120 volts or 240 volts. However, at Company's option, customer-owned street lighting equipment mounted on customer pole or support may be served at other available secondary voltages.

All luminaires served hereunder are operated at alternating current, 60 hertz, single phase and are controlled by photo control for dusk to dawn operation every night, approximately 4,300 hours per year.

All relocations of customer-owned street lighting equipment are at customer's expense.

(Continued)

RATE SCHEDULE SE (CONTINUED)

CONTINUOUS OPERATION

When the customer operates individual lamps continuously 24 hours per day, the KWH billed hereunder is doubled for those individual lamps operated continuously.

IDENTIFICATION

Each customer-owned luminaire and support bracket served hereunder must be marked by customer with two adjacent wraps of 2 inch wide, yellow and black diagonal striped, pressure sensitive tape, clearly identifiable by a groundlevel observer, that indicates customer ownership of the equipment. Company will supply customer with sufficient tape to mark the equipment. In addition, customer notifies the public of customer's ownership of and responsibility for the street lighting equipment in the areas served hereunder and advertises a customer telephone number for public use in reporting malfunctioning equipment.

CHANGE IN SIZE AND TYPE OF STREET LIGHTING UNIT

Written notice of any change in size or type of any components of customer's street lighting system by location is furnished by customer to Company not more than 14 days after the date of such change.

AUDITING

The Company has the right to periodically audit the number and size of lamps of customer's street lighting system. The customer agrees to cooperate with Company during such audits.

(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.

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 30 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 SE (CONTINUED)

ATTACHMENT AGREEMENT

Customer signs the Company's standard Attachment Agreement for those luminaires mounted by customer on Company's poles. The Attachment Agreement includes indemnification of Company by customer and provides for purchase of public liability and property damage insurance by customer.

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 or terminated in accordance with contract provisions.

(C)

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**RATE SCHEDULE TS(R)
MUNICIPAL TRAFFIC SIGNAL LIGHTING SERVICE**

This Rate Schedule is in the process of elimination and service hereunder is available only to existing locations continuously supplied hereunder as of August 26, 1976.

APPLICATION OF RATE SCHEDULE TS(R)

This Rate Schedule is for traffic signal lighting service to cities, boroughs, and townships. The minimum under this rate schedule is 50 watts.

NET MONTHLY RATE

(C)

- Distribution Charge (Effective 1-1-99)
4.545 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-99 through 12-31-99)
1.904 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
1.787 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
1.664 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
1.551 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
1.410 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
1.275 cts. per watt of connected load.
- Competitive Transition Charge (Effective 1-1-05 through 9-30-05)
0.979 cts. per watt of connected load.

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)
1.755 cts. per watt of connected load.
- Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
1.872 cts. per watt of connected load.
- Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
1.995 cts. per watt of connected load.
- Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
2.108 cts. per watt of connected load.
- Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
2.249 cts. per watt of connected load.
- Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
2.384 cts. per watt of connected load.

(Continued)

RATE SCHEDULE TS(R) (CONTINUED)

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)
2.680 cts. per watt of connected load.

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 size of lamps.

MONTHLY MINIMUM BILL

(C)

The Monthly Minimum Bill is \$4.21.

(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.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

Payment shall be made on or before the due date specified on the bill, which is not less than 30 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 SI-1(R)
 MUNICIPAL STREET LIGHTING SERVICE

The application of this Rate Schedule to all service will be eliminated as of January 1, 2002. The rates for available incandescent lamps are limited to those fixtures and lamp sizes installed on or before and supplied continuously after March 28, 1972. No new incandescent street lighting installations will be provided by the Company.

APPLICATION OF RATE SCHEDULE SI-1(R)

This Rate Schedule is for municipal lighting service on public streets, highways, bridges, parks, etc., to municipalities or other governmental agencies when all such service is supplied under the Company's standard form of contract in accordance with the various laws applicable thereto.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$4.099	---
Incandescent	1,000	5.081	---
Incandescent	4,000	---	\$15.133

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.541	---
Incandescent	1,000	0.963	---
Incandescent	4,000	---	\$3.056

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.508	---
Incandescent	1,000	0.904	---
Incandescent	4,000	---	\$2.868

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.473	---
Incandescent	1,000	0.842	---
Incandescent	4,000	---	\$2.671

(Continued)

(C) Indicates Change

RATE SCHEDULE SI-1(R) (CONTINUED)

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.441	---
Incandescent	1,000	0.784	---
Incandescent	4,000	---	\$2.489

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.401	---
Incandescent	1,000	0.713	---
Incandescent	4,000	---	\$2.262

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.363	---
Incandescent	1,000	0.645	---
Incandescent	4,000	---	\$2.047

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.278	---
Incandescent	1,000	0.495	---
Incandescent	4,000	---	\$1.571

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)

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.825	---
Incandescent	1,000	0.696	---
Incandescent	4,000	---	\$1.862

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.858	---
Incandescent	1,000	0.755	---
Incandescent	4,000	---	\$2.050

(Continued)

RATE SCHEDULE SI-1(R) (CONTINUED)

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.893	---
Incandescent	1,000	0.817	---
Incandescent	4,000	---	\$2.247

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.925	---
Incandescent	1,000	0.875	---
Incandescent	4,000	---	\$2.429

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$0.965	---
Incandescent	1,000	0.946	---
Incandescent	4,000	---	\$2.656

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

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$1.003	---
Incandescent	1,000	1.014	---
Incandescent	4,000	---	\$2.871

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$1.088	---
Incandescent	1,000	1.164	---
Incandescent	4,000	---	\$3.347

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 size of lamps.

(Continued)

RATE SCHEDULE SI-1(R) (CONTINUED)

STANDARD INSTALLATION AND SERVICE

All necessary street lighting facilities are supplied, installed, operated and maintained by the Company and are connected to the Company's general distribution system.

Wood Pole Overhead Service. Lamps are mounted on the Company's wood poles or on other supports not supplied by the Company specifically for street lighting purposes, and are supplied by overhead wires.

Low Mounting Underground Service. Lamps are mounted on street lighting poles approximately 14 feet in height and supplied by underground cable.

All lamps are lighted from dusk-to-dawn each and every night, or for approximately 4,300 hours per annum.

All relocations of lamps ordered by the customer are at the customer's expense.

(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.

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 30 days from 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 unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Ten (10) years and thereafter until terminated in accordance with contract provisions.

RATE SCHEDULE GH-1(R)

SINGLE METER COMMERCIAL SPACE HEATING SERVICE

This Rate Schedule is in the process of elimination and is available only to service locations supplied hereunder continuously on or after August 21, 1972, and to locations served under discontinued Rate Schedule GH-4 as of September 26, 1984.

APPLICATION RATE SCHEDULE GH-1(R)

This Rate Schedule is for all electric commercial service supplied through one meter when electricity is the sole source of all of the customer's energy requirements including electric space heating in accordance with the APPLICATION PROVISIONS hereof. Applications may include wholesale and retail trade and associated warehousing operations, office buildings, and establishments providing professional, personal or business services.

Electric space heating facilities shall be permanently installed and operated for personal comfort. Service hereunder is supplied at secondary voltage or at a higher voltage at Company's option, is available only for service supplied continuously throughout the year and is not available for temporary service for less than one year.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 14.97 per month plus

\$ 1.30 per KW of the Billing KW.

1.005 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

0.867 cts. per KWH for all additional KWH.

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

3.355 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.895 cts. per KWH for all additional KWH.

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

3.231 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.788 cts. per KWH for all additional KWH.

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

3.086 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.663 cts. per KWH for all additional KWH.

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

2.917 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.517 cts. per KWH for all additional KWH.

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

2.743 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.367 cts. per KWH for all additional KWH.

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

2.544 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

2.195 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 9-30-05)

1.990 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.

1.717 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

RATE SCHEDULE GH-1(R) (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)

3.929 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
3.329 cts. per KWH for all additional KWH.

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

4.053 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
3.436 cts. per KWH for all additional KWH.

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

4.198 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
3.561 cts. per KWH for all additional KWH.

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

4.367 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
3.707 cts. per KWH for all additional KWH.

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

4.541 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
3.857 cts. per KWH for all additional KWH.

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

4.740 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
4.029 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

5.294 cts. per KWH for the first 150 KWH per kilowatt of Billing KW but not more than 6000 KWH.
4.507 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.

Net Monthly Billing is reduced by 0.05 cts. per KWH for customers, formerly on Rate Schedule GH-3(R) Total Electric Service - Schools and Churches, taking primary service at 12,000 volts or higher, but billing may not be reduced below the minimum provisions hereof.

MONTHLY MINIMUM BILL

The Monthly Minimum Bill is \$14.97.

(C)

(Continued)

RATE SCHEDULE GH-1(R) (CONTINUED)

BILLING KW

The Billing KW is the average 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 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 available only to customers of the Company who do not yet have the opportunity to purchase capacity and energy from their choice of electric generation supplier. For customers who receive capacity and energy from an electric generation supplier, the Billing KW applied to the Competitive Transition Charge rate is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period. (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.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule if the customer receives Basic Utility Supply Service from the Company. (C)
(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)
(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.

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 bills, 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)

(C) Indicates Changes

RATE SCHEDULE GH-1(R) (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)

APPLICATION PROVISIONS

(1) This Rate Schedule applies to single meter service for all of customer's energy requirements, under the following conditions:

- (a) The facilities for electric space heating are, in Company's judgment, a significant and integral portion of customer's total energy requirements to be supplied hereunder.
- (b) Service supplied hereunder includes all energy requirements on customer's premises in a building.
- (c) All service in one building is supplied at one voltage from one service connection.
- (d) Another form of energy may be used for classroom instruction, for emergency lighting generators and, upon Company approval, for other similar uses.
- (e) When customer occupies an entire building, service hereunder may include uses of service outside the building only when they are directly incident to the principal use of service in the building.

(2) Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted in conjunction with service supplied hereunder without violating the total electric energy requirement of this Rate Schedule. Any customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation.

**RATE SCHEDULE GH-2(R)
SEPARATE METER GENERAL SPACE HEATING SERVICE**

This Rate Schedule is in the process of elimination and is available only to service locations supplied hereunder continuously on or after August 21, 1972, and also to prospective service locations where a definite rate commitment has been made as of that date for so long as service is continuous thereafter.

APPLICATION OF RATE SCHEDULE GH-2(R)

This Rate Schedule is for separately metered electric space heating service to customers whose general use is supplied under some other general service rate schedule in accordance with the APPLICATION PROVISIONS hereof and may include service for general use in an all electric apartment building when individual living units in the building are metered separately under a residential rate schedule.

Electric space heating facilities shall be permanently installed and operated for personal comfort. Service hereunder is supplied at secondary voltage or at a higher voltage at Company's option, is available only for service supplied continuously throughout the year and is not available for temporary service for less than one year.

NET MONTHLY RATE**(C)**

- Distribution Charge (Effective 1-1-99)
\$ 17.46 including 200 KWH, plus
0.770 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-99 through 12-31-99)
3.198 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
3.080 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
2.941 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
2.781 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
2.615 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
2.425 cts. per KWH for all KWH in excess of 200 KWH.
- Competitive Transition Charge (Effective 1-1-05 through 9-30-05)
1.897 cts. per KWH for all KWH in excess of 200 KWH.

(Continued)

RATE SCHEDULE GH-2(R) (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)

- 0.451 cts. per KWH for first 200 KWH.
- 3.712 cts. per KWH for all KWH in excess of 200 KWH.

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

- 0.451 cts. per KWH for first 200 KWH.
- 3.830 cts. per KWH for all KWH in excess of 200 KWH.

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

- 0.451 cts. per KWH for first 200 KWH.
- 3.969 cts. per KWH for all KWH in excess of 200 KWH.

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

- 0.451 cts. per KWH for first 200 KWH.
- 4.129 cts. per KWH for all KWH in excess of 200 KWH.

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

- 0.451 cts. per KWH for first 200 KWH.
- 4.295 cts. per KWH for all KWH in excess of 200 KWH.

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

- 0.451 cts. per KWH for first 200 KWH.
- 4.485 cts. per KWH for all KWH in excess of 200 KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

- 0.451 cts. per KWH for first 200 KWH.
- 5.013 cts. per KWH for all KWH in excess of 200 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 BILL

(C)

The Monthly Minimum Bill is \$17.46 which includes 200 KWH use.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule if the customer receives Basic Utility Supply Service from the Company.

(C)

(C)

(C)

(Continued)

RATE SCHEDULE GH-2(R) (CONTINUED)

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.

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)

APPLICATION PROVISIONS

Service hereunder is applicable under the following conditions:

- (a) All the space heating requirements on customer's premises, or in customer's building or newly constructed section thereof, are supplied hereunder through a separate meter from the same point of delivery and at the same voltage as the general service.
- (b) Use of service for comfort cooling air conditioning, for commercial cooking and for automatic storage type water heaters with thermostatically controlled noninductive heating units, may be included hereunder in connection with and on the same premises as the space heating equipment. This does not include ventilating fans, water for process purposes and plug-in commercial cooking appliances not used with commercial electric ovens and ranges.
- (c) Supplemental use of renewable energy sources such as wood, solar, wind, and water is permitted in conjunction with service supplied hereunder without violating the total electric energy requirement of this Rate Schedule. Any customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation.

RECEIVED

JUL 17 1998

PP&L, Inc. PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2 NORTH NINTH STREET

ALLENTOWN, PENNSYLVANIA 18101

Issued: July 17, 1998

Effective: January 1, 1999

ISSUED BY: WILLIAM F. HECHT, PRESIDENT
2 NORTH NINTH STREET
ALLENTOWN, PA. 18101

TABLE OF CONTENTS

	<u>Page</u>
Definition of Terms and Explanation of Abbreviations.....	3
RULES AND REGULATIONS:	
1. The Tariff.....	7
2. Scope and Purpose of Tariff	8
3. Commencement of EDC/EGS Coordination	9
4. Coordination Obligations.....	12
5. Direct Access Procedures.....	16
6. Load Forecasting	25
7. Load Scheduling	31
8. Reconciliation Service.....	32
9. Utilization of Scheduling Coordinators	35
10. Metering Data.....	37
11. Confidentiality of Information.....	38
12. Payment and Billing	39
13. Withdrawal by EGS from Retail Service.....	44
14. EGS's Discontinuance of Customers	45
15. Liability	46
16. Breach of Coordination Obligations	47
17. Termination of Individual Coordination Agreement	49
18. Alternative Dispute Resolution	50
19. Miscellaneous	52
RIDERS:	
Individual Coordination Agreement Rider.....	54
Scheduling Coordinator Designation Form.....	58

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Active Load Management - the process for arranging to have firm load become interruptible in accordance with criteria established by the PJM OI.

Appropriate Similar Day - hourly forecasted load based on a comparable week day, month, season, and weather.

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

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

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

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

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

Coordination Obligations - all obligations identified in Rule 4 of the Tariff, relating to the provision of Coordination Services.

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

The Company - PP&L, Inc.

Coordinated Supplier - an Electric Generation Supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting energy schedules to the PJM OI.

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

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

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

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

EDC Tariff - the Company's Electric Service Tariff, denominated Electric Pa. P.U.C. No.201.

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

Electric Generation Supplier or "EGS" - a supplier of electric generation that has been certified or licensed by the Pennsylvania Public Utility Commission to sell electricity to retail customers within the Commonwealth of Pennsylvania in accordance with the Competition Act.

EGS Representative - any officer, director, employee, consultant, contractor, or other agent or representative of an EGS in connection with the EGS's activity solely as an

EGS. To the extent an EGS is a division or group of a company, the term EGS Representative does not include any person in that company who is not part of the EGS division.

FERC - the Federal Energy Regulatory Commission.

Hourly or Sub-Hourly Metering Equipment - metering equipment that supplies hourly readings of kW and power factor via remote communications, and not metering equipment from which quarter-hourly or hourly demand readings may be obtained through on-site querying of the metering equipment.

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

Kilowatt or kW - unit of measurement of useful power equivalent to 1000 watts.

Load Serving Entity or "LSE" - an entity that has been granted the authority or has an obligation pursuant to State or local law, regulation or franchise to sell electric energy to end-users located within the PJM Control Area.

Locational Marginal Price or "LMP" - the hourly integrated marginal price to serve load at individual locations throughout PJM, calculated by the PJM OI as specified in the PJM Open Access Transmission Tariff.

Megawatt or MW - one thousand kilowatts.

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

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

Network Integration Transmission Service Reservation - a reservation under the PJM Tariff of Network Integration Transmission Service, which allows a transmission

customer to integrate and economically dispatch generation resources located at one or more points in the PJM Control Area to serve its Network load therein.

PaPUC or Commission - The Pennsylvania Public Utility Commission.

PJM - the Pennsylvania-New Jersey-Maryland Interconnection.

PJM Control Area - that certain Control Area encompassing systems in Pennsylvania, New Jersey, Maryland, Delaware and the District of Columbia and which is recognized by the North American Electric Reliability Council as the "PJM Control Area."

PJM eScheduler System - software program administered by the PJM OI through which energy load schedules may be submitted.

PJM OI - the PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM Tariff - the PJM Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

Scheduling Coordinator - an entity that performs one or more of an EGS's Coordination Obligations, including the submission of energy schedules to the PJM OI, and that either is (1) a member of the PJM Interconnection, L.L.C. or (2) is the agent, for scheduling purposes, of one or more Electric Generation Suppliers that are members of the PJM Interconnection, L.L.C.

Tariff - this Electric Generation Supplier Coordination Tariff.

RULES AND REGULATIONS

1. THE TARIFF

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

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

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

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

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

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

2. SCOPE AND PURPOSE OF TARIFF

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

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

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

3. COMMENCEMENT OF EDC/EGS COORDINATION

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

- (a) an Individual Coordination Agreement, as contained in a Rider hereto, fully executed in triplicate by a duly authorized representative of the EGS;
- (b) written evidence that the EGS is a signatory to the Operating Agreement and Reliability Assurance Agreement of the PJM Interconnection, L.L.C., or their successors, if any;
- (c) the EGS's Pennsylvania sales tax identification number.

3.2 Incomplete Registrations. In the event the EGS submits an incomplete registration, the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) business days after the date of service, as determined under 52 Pa. Code § 1.56, of the registration. An incomplete registration is not deemed to be ready for processing by the Company until it is completed by the EGS and Delivered to the Company.

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

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

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

- (a) the EGS has undisputed outstanding debts to the Company arising from its previous receipt of Coordination Services from the Company under this Tariff;
- (b) the EGS has failed to comply with credit requirements specified in Rule 12 of the Tariff; and

- (c) the EGS has failed to submit a completed registration within thirty (30) calendar days after the date of service of the registration, as determined under 52 Pa. Code § 1.56, of written notice of the registration's deficiency.

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

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

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

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

3.9 Identification Numbers. Upon its approval of a registration for Coordination Services, the Company will assign to the EGS a supplier identification number to be used in subsequent electronic information exchange between the EGS and the Company. This number shall be consistent with the EGS's Dunn & Bradstreet Business number. In addition, the Company also may assign to the EGS identification numbers

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

3.10 Commencement of Coordination Services. Coordination Services shall commence within fifteen (15) days after the Company's acceptance of an EGS's registration for Coordination Services provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company and any conditions required under Rule 3.6 have been satisfied by the EGS.

4. COORDINATION OBLIGATIONS

4.1 Provision of Coordination Services. The Company shall provide all Coordination Services, as provided herein, necessary for the delivery of an EGS's energy and/or capacity to serve retail access load located within the Company's service territory.

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

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

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

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

4.6 PJM Services and Obligations. An EGS is responsible for procuring those services provided by the PJM OI that are necessary for the delivery of Competitive Energy Supply to its Customers. In addition, an EGS must satisfy all obligations which are imposed on LSEs in the PJM Control Area.

4.7 Energy Scheduling. An EGS must make all necessary arrangements for scheduling the delivery of energy through the PJM OI. The Company shall assist in that process as set forth in Rule 7.

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

4.9 Determination of Load and Location. The Company and EGS shall coordinate with the PJM OI to determine the magnitude and location of the EGS's actual or projected load, as required by the PJM OI, for the purpose of calculating a Network Integration Transmission Service Reservation, an installed capacity obligation, or other requirements under the PJM Tariff.

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

4.11 Communication Requirements. An EGS must be equipped with the following communications capabilities:

- Internet electronic mail (e-mail), including the capability to receive ASCII file attachments;
- Internet browser (Netscape 4.0 or better) for access to the PP&L web-site and file uploads and downloads; and
- Internet EDI peer-to-peer communication with push and pull capability.
- VAN and single Internet file transfer protocol, as determined by the EDEWG and PaPUC Docket No. M-00960890.f0015.

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

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

4.14 Data Exchange. (a) Subject to Rule 4.14(b) below, the Company shall make available to an EGS, on a daily basis, the following information regarding that EGS's Customers in electronic files available on the PP&L website:

- (i) Account Number
- (ii) Billing Route
- (iii) Customer Name
- (iv) Service Address

- (v) Service City
- (vi) Service State Zip
- (vii) Mailing Address
- (viii) Mailing City
- (ix) Mailing State Zip
- (x) Contact Name (applicable to industrial and large commercial Customers only)
- (xi) Contact Address (applicable to industrial and large commercial Customers only)
- (xii) Contact City, State, Zip (applicable to industrial and large commercial Customers only)
- (xiii) Unlisted Telephone Number Code
- (xiv) Telephone Number
- (xv) Rate Class 1
- (xvi) Meter Use Code
- (xvii) Delivery Date
- (xviii) Whether Customer is on budget billing

(b) The Company shall at a minimum, comply and adhere to the terms and requirements of the Consensus Plan submitted by the Electronic Data Exchange Working Group (Electronic Data Exchange Standards for Electric Deregulation in The Commonwealth of Pennsylvania) reviewed and approved by the Pilot Implementation Committee and the Pa. PUC. (Docket No. M-00960890F.0015). These standards, as they currently are written, shall address the necessary data transfer and exchange to accommodate registration and switching of customers, metering and billing information, and current customer information. The Company shall follow these standards as they currently exist, and as they may change from time-to-time, for all data exchange procedures and requirements.

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

rate class and electric usage, the Customer's address(es) and telephone number, and whether or not the Customer is on a budget billing plan or payment arrangement.

(c) The Company will maintain on its website, copies of the standard file formats it will provide to EGSs containing the data listed in this Rule of this Tariff. The Company will not change the file formats without first providing, via Internet electronic mail and posting on its website, at least seven (7) days notice of any such change. The Company will make a good faith effort to provide a greater period of notice when warranted.

(d) Nothing in this Rule 4.14 shall prohibit the Company from making available to EGSs other electronic data, in formats chosen by the Company. The Company will not change the file formats of the electronic data made available under this Rule 4.14(d) without first providing, via Internet electronic mail and posting on the website, at least seven (7) days notice of such change. The Company will make a good faith effort to provide a greater period of notice when warranted.

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

4.16 Standards of Conduct and Disclosure for Licensed EGSs. The Commission's Standards of Conduct and Disclosure for Licensees are incorporated herein by reference.

5. DIRECT ACCESS PROCEDURES

5.1 Customer Enrollment

The selection of Customers eligible to obtain Competitive Energy Supply shall occur in accordance with the Direct Access Procedures set forth in the Enrollment Procedures Applicable to Electric Distribution Companies and Electric Generation Suppliers During the Phased-In Implementation of Direct Access (Pa PUC Docket No. M-00960890F.0014) and M-00960890F.0015.

5.1.1 Mail Method: The Company will process Company-supplied enrollment cards or EGS enrollment cards that conform with the Company's defined standards and are sent to the Company's designated Post Office box. If EGSs wish to use non-conforming cards, they may do so, but they must process them and then send enrollment information to the Company via properly formatted electronic files (PP&L account number, Customer name, Customer address, rate class, authorization to release Customer information) electronically. The Company will acknowledge receipt of enrollment files received from EGSs via electronic confirmation. All EGS enrollment cards must enable a Customer to decide whether to consent to the disclosure of confidential Customer-specific information by the Company to all EGSs. If customers wish to enroll telephonically or via the Company's internet website, they may do so, and the Company will take special measures to determine whether the customer wishes to restrict the release of confidential information.

Enrollment cards shall include two check-off boxes, by which the Customers may restrict the release of their (i) telephone number and (ii) annual historical load information. The enrollment cards provided to the Customers shall advise them of the potential benefits of having confidential information shared with licensed EGSs, and that such refusal may mean that the Customer will not be able to be contacted directly by an alternative generation supplier.

5.1.2 EGS Method:

EGSs may enroll Customers during the enrollment period by mailing or faxing an enrollment card or other written form containing the required enrollment information. Additionally, EGSs are encouraged to permit Customers to enroll by telephone or e-mail, but must send Customer enrollments to the Company via properly formatted

electronic files (Customer's PP&L account number, Customer name, Customer address, rate class, authorization to release Customer information). An EGS also must include within its electronic file an indication as to which of the Customers it enrolls have consented to disclosure of Customer-specific information as set forth below in Rule 5.1.5. EGSs shall forward the electronic files on a daily basis to the Company. The Company will acknowledge receipt of the enrollment file via electronic confirmation. The Company shall provide confirmation within two (2) business days of all electronic files received. Such confirmation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such confirmation also shall include information an EGS can use to identify rejected records.

Enrollment cards shall include two check-off boxes, by which the Customers may restrict the release of their (i) telephone number and (ii) annual historical load information. The enrollment cards provided to the Customers shall advise them of the potential benefits of having confidential information shared with licensed EGSs, and that such refusal may mean that the Customer will not be able to be contacted directly by an alternative generation supplier.

5.1.3 Provision of Customer Lists. Concurrent with the Company notifying Customers of their eligibility to select an EGS, the Company shall provide to all EGSs a complete list of eligible enrolled Customer information in electronic format. This list shall include Pilot Customers. This list shall be provided electronically and be made available on the same date Customers are notified that they have been enrolled. This list shall include all of the information outlined in Rule 5.1.4(a), below for Customers that consent to the release of Customer information, and only the information identified in Rule 5.1.4(b), below, for Customers that do not so consent. If, after the final date for the enrollment period, less than 66% of the non-coincident peak load for residential and commercial rate classes (all rate classes except for Rate Schedules LP-4, LP-5, LP-6, LPEP, IS-1, IS-P, and IS-T) has been enrolled, the Company shall provide all licensed EGSs with a list of enrolled Customers in such rate classes to date. The Company will continue to enroll Customers and the list of enrolled Customers will be updated biweekly until the loads of the enrolled Customers comprise at least 66% of the non-

coincident peak load of each residential and commercial rate class or full Direct Access begins.

5.1.4 Data Exchange.

(a) The list of enrolled Customers that the Company provides to all EGSs pursuant to Rule 5.1.3, above, shall contain the following information about Customers that have consented to the release of Customer information:

- (i) PP&L Account Number
- (ii) Billing Route
- (iii) Customer Name
- (iv) Service Address
- (v) Service City
- (vi) Service State Zip
- (vii) Mailing Address
- (viii) Mailing City
- (ix) Mailing State Zip
- (x) Contact Name (applicable to industrial and large commercial Customers only)
- (xi) Contact Address (applicable to industrial and large commercial Customers only)
- (xii) Contact City, State, Zip (applicable to industrial and large commercial Customers only)
- (xiii) Unlisted Telephone Number Code
- (xiv) Telephone Number
- (xv) Rate Class
- (xvi) Registered Peak Demand
- (xvii) Load Factor
- (xviii) Annual kWh usage
- (xix) Meter Use Code
- (xx) Delivery Date

(b) The list of enrolled Customers that the Company provides to all EGSs pursuant to Rule 5.1.3, above, shall contain the following information about Customers that have not consented to the release of Customer information:

- (i) Name, address, PP&L Account Number
- (ii) Rate Class

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

5.2 Initial EGS Selection for 1998.

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

5.2.1

(a) An EGS must notify its Customers that by signing up for Competitive Energy Supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer, as listed in Rule 4.14(a). At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's PP&L account number, data about meter readings, rate class and electric usage, the Customer's address(es) and telephone number, and whether or not the Customer is on a budget billing plan or payment arrangement.

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

(c) The EGS will obtain appropriate written authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's

choice of EGS. The written authorization shall include the Customer's acknowledgment that the Customer has received the notice required by Rule 5.2.1(a). It is the EGS's responsibility to maintain records of the Customer's written authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission.

(d) The EGS shall provide an electronic file to the Company. The required electronic file shall include, at a minimum, EGS ID, PP&L Account Number, Action (ADD), Rate Code, Billing Option, Transaction Date and Transaction Time. Upon receipt of the electronic file from the EGS, the Company will automatically confirm receipt of the file. Within two(2) business days of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including the number of records received and the reason for any rejections. Such validation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such validation also shall include information an EGS can use to identify rejected records. If a Customer selects more than one EGS, the EGS that submitted the EGS selection record with the latest valid EGS contract date to the Company before the end of the EGS selection period will be eligible to become the EGS of record on the Customer's regularly scheduled Meter Read Date in January, 1999.

(e) The Company will send a confirmation letter to all Customers who have made an initial EGS selection, after the initial EGS selection period concludes. Included in this letter shall be notification of a 10-day waiting period in which the Customer may cancel its selection of an EGS. The confirmation letter shall include the Customer's Name, Address, PP&L Account Number, selected EGS, selected Billing Option (1-bill, 2-bills), Service Effective Date and Initial Billing Date. The waiting period shall begin on the day the letter is mailed to the Customer. If the 10-day waiting period expires, and the Customer has not contacted the Company to dispute the EGS selection, the EGS will become the EGS of record for delivery in January, 1999. If the Customer elects to rescind its EGS selection, the Company will notify the rejected EGS, electronically. In the event the Customer rescinds its EGS selection after the 10-day waiting period, the Customer will be required to remain with the selected EGS for a minimum of one(1) billing cycle.

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

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

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

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

5.3.1 An EGS must notify its Customers that by signing up for Competitive Energy Supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer, as listed in Rule 4.14(a). At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's PP&L account number, data about meter readings, rate class and electric usage, the Customer's address(es) and telephone number, and whether or not the Customer is on a budget billing plan or payment arrangement.

5.3.2

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

(b) The Customer's new EGS also shall submit the Customer's information using a file format designated by the Company. The required electronic files shall include, at a minimum, EGS ID, PP&L Account Number, Action (ADD), Rate Code, Billing Option, Price Plan (if one-bill option is selected), Transaction Date and Transaction Time. Upon receipt of the electronic file from the EGS, the Company will automatically confirm receipt of the file. Within two (2) business days of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including the number of records received and the reason for any rejections. Such validation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such validation also shall include information an EGS can use to identify rejected records.

(c) The Company will send the Customer a confirmation letter notifying the Customer of the right to rescind. If the Customer does not contact the Company within ten (10) days of the date on the confirmation letter, the Company will process the selection. The selection will be effective as of the next scheduled Meter Read Date and the EGS will become the EGS of record for delivery provided that: (1) the Company has received at least sixteen (16) days prior notice from the EGS and all Customer information provided to the Company is accurate and complete; (2) the 10-day waiting period has expired; and (3) the Customer has not contacted the Company to dispute the EGS selection. In such circumstances, the Company will make available to the new EGS an electronic file, containing information for the new Customers of record for that particular EGS, in accordance with Rule 4.14(a).

If, during the 10-day waiting period, the Customer elects to rescind its new EGS selection, the Company will notify the rejected EGS of the rescission electronically. In the event the Customer rescinds their EGS selection after the 10-day waiting period, the Customer will be required to remain with the selected EGS for a minimum of one(1) billing cycle.

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

5.3.3 If a Customer contacts the Company to request a change of EGS, the Company will submit the request electronically to the EGS of choice, and the EGS will verify its desire to serve the Customer and follow the process outlined in Rule 5.3.2.

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

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

5.3.6

(a) If a Customer contacts the Company to discontinue electric service at the Customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current EGS, electronically, of the Customer's discontinuance of service for the account at the Customer's old location. The Company also will send an electronic transaction to the Customer's selected EGS for its new location, which may or may not be the current EGS. If the selected EGS is not the same EGS that served the Customer at the old location, the Company will provide the EGS that served the Customer at the old location with the Customer's new mailing address or forwarding address.

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

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

5.4 Provisions relating to an EGS's Customers.

5.4.1 Arrangements with EGS Customers. EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

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

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

6. LOAD FORECASTING

6.1 Customer Load Forecasting. The Company, in conjunction with an EGS, shall perform a Customer load forecasting process for each EGS's load requirements which shall approximate an EGS's anticipated aggregate hourly Customer load. The aggregate hourly load forecast shall define the hourly energy requirements for an EGS. Energy will be delivered to the Company's electric distribution system using the PJM power scheduling policies and procedures.

6.2 Forecasting Methodology.

6.2.1 Monthly Metered Customer Forecasts. For each EGS, the Company will provide hourly load profiles by rate class for Customers with monthly metering equipment, which will be used to establish the hourly supply obligations of the EGS for serving such Customers. The Company has developed and will maintain, based on load survey data, load forecast categories corresponding to the Company's current rate classes identified in the EDC Tariff. The load curves of these rate classes will be the basis for the forecasts prepared by the EGS for the aggregate of its monthly metered Customers load in each rate class.

6.2.2 Hourly Metered Customer Forecasts. An EGS shall provide hourly load forecasts for their Customers with Hourly or Sub-Hourly Metering Equipment.

6.2.3 Typical Load Curve Data. On or before the day of energy scheduling, the Company will make available to EGSs the typical load curves and all algorithms and data necessary to calculate the hourly forecast for monthly metered Customers. This information will be available on an ongoing basis for an EGS to download from the website and will permit an EGS to develop forecasts for any future period using the same methodology as the Company will use.

6.2.3.1 Updates to Typical Load Curve Data. The Company shall review annually its methodology, algorithms and load forecasting results and shall perform additional load studies to update the load curve data as required.

6.2.4 Right to Aggregate. EGSs may aggregate their Customers' loads. Such right to aggregate shall not mean that if a Customer of an EGS has multiple PP&L accounts, the Customer's PP&L charges may be billed conjunctively. Such right also shall not mean that the PP&L charges of an EGS's aggregated Customers may be billed conjunctively.

6.2.5 Partial Purchase during Phase-In. The Company shall allow partial competitive supply for large commercial and industrial customers for the duration of the phase-in (January 1, 1999 through January 1, 2000). The partial load from a competitive supplier will be first through the meter on a percent share for any given hour. The percent share shall be at a minimum of 66 percent (in the event of full participation in a rate class). If full participation is not achieved in the volunteering phase in any industrial or large commercial rate class, the participating customers of that class shall be allowed partial load up to a limit of a pro-rata share of the 66 percent of the non-coincident peak load of the rate class. The pro-rata percent figure for industrial and large commercial rate classes will be released beginning on August 28, 1998. All requirements and responsibilities based upon load and capacity share whether by the Company, PJM or the FERC will be applicable to the amount of the partial load being served by the EGS. Multiple suppliers are prohibited under partial load conditions.

6.2.6 Purchase of Energy or Capacity from more than one EGS. Customers may choose to be supplied with energy and / or capacity from more than one EGS. A Customer or its EGS will be responsible to the Company for any additional costs the Company incurs as a result of a Customer purchasing energy and/or capacity from more than one EGS. Where one or more of the EGSs serving the customer fails to fulfill its obligation to supply energy or capacity, the customer may receive service from the Company. However, in order for the customer to continue to receive service from the customer's other EGS(s), the customer must arrange for a replacement for the non-supplying EGS(s) by the end of the second full monthly billing cycle after the customer receives notice of EGS's failure to supply. If, by that time, the customer has not replaced the non-supplying EGS(s), the customer must either discontinue receiving service from the Company or receive service from the Company for its entire load.

In order for the customer to receive electric supply from more than one EGS, the customer must receive separate billing services from the Company and the EGS(s). The Company cannot support a consolidated customer bill for more than one EGS per customer account.

6.2.7 Partial Purchase by the Company Prohibited . Except as provided for in Rule 6.2.5 or 6.2.6, a customer purchasing energy and/or capacity from an EGS may not purchased simultaneously energy or capacity from the Company.

6.3 Daily Forecasting Process.

6.3.1 Business Days and Scheduling Window. The daily forecasting process shall be performed on each business day. A business day is a weekday, excepting Company holidays. The daily forecasting process shall be performed on each business day for a scheduling window consisting of all following days through the next business day.

For example, the daily forecasting process shall be performed Monday through Thursday (except holidays) for a scheduling window that covers the following day (midnight to midnight). If the following day is a holiday, the scheduling window shall include the holiday and be extended to include the first business day following the holiday. Similarly, the daily forecasting process shall be performed on Friday for a scheduling window consisting of the following Saturday, Sunday, and Monday. If the Monday is a holiday, the scheduling window shall include the holiday and extend through the first business day following the holiday.

In addition to the forecasts required of EGSs hereunder, the EGS may provide month-ahead hourly forecasts for each of its Customers with Hourly or Sub-Hourly Metering Equipment. Forecasts are not final until the business day before those forecasts are to apply.

6.3.2 Process Description for Forecasting. The following process shall be followed on each business day:

Step 1:

Each EGS will calculate the load forecast for each monthly metered rate class by multiplying the load curve for the appropriate day type by the number of an EGS's Customers (including Customers of any Coordinated Suppliers that have a designated EGS as their Scheduling Coordinator) in that rate class. These values will have been adjusted upward by an amount necessary to cover line losses based on standard line loss percentages for the Customer class to which each Customer belongs.

Step 2a:

By 10:00 a.m. Eastern Prevailing Time of the business day, an EGS shall enter the load forecast for each of an EGS's hourly-metered Customers and for each hourly-metered Customer of any Coordinated Suppliers that have a designated EGS as their Scheduling Coordinator. Forecasts for hourly-metered Customers should include estimated losses based on Company-furnished loss factors for each rate class.

If an EGS fails to enter a load forecast for any of its required hourly-metered Customers by 10:00 a.m. Eastern Prevailing Time the business day before the load forecast is to apply, the Company will use its forecast values calculated for the hourly load of the EGS for an appropriate similar day. Such default values shall be binding on an EGS that fails to enter load forecasts as required and shall be treated as if the EGS had entered the values itself.

Step 2b:

The Company and the EGS shall seek to reach an agreement as to the load forecasts submitted by an EGS under Step 2a, provided that nothing in this Step 2b shall limit the Company's right to reject a forecast and submit a Company forecast pursuant to Step 3.

Step 3:

The Company will accept or reject an EGS load forecast by 11:00 a.m. Eastern Prevailing Time. If the Company's Alternative Supplier Coordination (ASC) personnel determine that a forecast is going to be rejected, and conditions permit, an ASC staff member will attempt to contact an EGS to explain the reason for rejection and resolve forecast problems. If the reason for rejecting an EGS load forecast values or changes cannot be resolved by 12:00 noon Eastern Prevailing Time, the scheduling process will continue using the Company forecast values.

6.4 Real-Time Load Following. To the extent an EGS has installed and pays for the necessary metering and telecommunications equipment for actual load following, an EGS may follow such Customers' load. To the extent that an EGS's total supply is for such Customers, an EGS shall be obligated to follow such Customers' loads on a real-time basis.

For real-time load following, including interruptible service Customers claimed with PJM as Active Load Management, an EGS will have special obligations to both the Company and PJM that must be dealt with on a Customer-by-Customer basis to ensure operational integrity. An EGS and the Company shall work cooperatively to address the technical and operational issues posed by real-time load following as the need arises. The loads of Customers using real-time load following will not be incorporated into an EGS's hourly load forecasts, except as required for PJM operation and transmission purposes.

To the extent an EGS's commencement of real-time load following requires modifications of the Company's computer, telemetering, telecommunication, and other systems to enable such activity, the EGS making such request shall be responsible for paying the Company's incremental costs associated with such modifications. The Company shall bill the EGS for any such costs in accordance with Rule 13 of this Tariff.

6.5 Adequacy of Forecast. An EGS may provide, at its own discretion, its own forecast for the aggregate requirements of its monthly-metered Customers, independent of the Company's forecast. The EGS and the Company shall concur on

the compatibility of the forecasting methodology to be used by the EGS. The Company may review, for operational reasons, an EGS's forecast. By executing an Individual Coordination Agreement, an EGS agrees that the Company's load forecast for monthly-metered Customers will be used for scheduling absent a specific load forecast by the EGS and will be adequate for this purpose. An EGS's remedies for any claimed deficiency in the Company's forecast for monthly-metered Customers shall be limited to either:

1. arranging, at its own expense, for the installation pursuant to PaPUC rules and procedures of Hourly or Sub-Hourly Metering Equipment at Customer's premises in order to permit the Customer's load to be forecasted, billed and reconciled as if it were an hourly Customer; or
2. entering, at its own expense, into a joint load study with the Company to develop new load curves.

7. LOAD SCHEDULING

7.1 Net Load Schedules. The net load schedule for an EGS shall be equal to the aggregate forecast value for all of the monthly-metered and hourly-metered Customers of that EGS and any Coordinated Suppliers that have designated the EGS as their Scheduling Coordinator.

7.2 Rounding to Whole Megawatts. For as long as the PJM OI or its successor requires the scheduling and delivery of power only in whole MW, the Company will round the aggregate forecast value for each hour to a whole MW value for load scheduling purposes according to the following rules:

- If the aggregate forecast value for an hour is less than 1.0 MW, the value will be rounded to 1.0 MW.
- If the aggregate forecast value for an hour is greater than 1.0 MW, the value will be rounded upward to the nearest whole MW.

7.3 Daily Load Scheduling Process.

7.3.1 Uploading Schedules. The Company will upload the load schedule for the scheduling window to PJM by 12:00 noon Eastern Prevailing Time on each business day using the PJM eScheduler System according to PJM requirements on a unilateral confirmation basis. The schedule uploaded by the Company shall be binding on that EGS.

8. RECONCILIATION SERVICE

8.1 General Description. Reconciliation service accounts for mismatches between an EGS's load schedule (with PJM-approved load schedule changes) for serving its Customers and the energy that was actually used by those Customers. This service differs from Energy Imbalance Service – a related service performed exclusively by the PJM OI under the PJM Tariff – because the latter accounts for differences between an EGS's scheduled energy obligation and the quantity of energy actually delivered by the EGS. Because of the absence of universal real-time metering, the calculation of reconciliation quantities typically must occur after the monthly reading of Customers' meters.

8.2 Billing. The Company and the EGS will rely on PJM to perform calculations to determine the monetary value of reconciliation quantities and to bill and/or credit EGSs and the Company for oversupplies and undersupplies at an hourly price through the PJM grid accounting system. Effective April 1, 1998, with the implementation of Locational Marginal Pricing within PJM, the oversupplies and undersupplies will be calculated at the LMP, as warranted.

8.3 The Company's Role. The Company will assist PJM in accounting for reconciliation quantities by (1) collecting all Customer usage data; (2) determining hourly reconciliation quantities for each EGS or Scheduling Coordinator; (3) calculating monthly reconciliation quantities for each EGS or Scheduling Coordinator; and (4) submitting the reconciliation quantities to the PJM OI. The Company also shall provide all algorithms and data necessary for an EGS to independently determine the reconciliation calculations.

8.4 Meter Data Collection. Meter data collected by the Company shall be utilized to calculate the quantity of energy actually consumed by an EGS's Customers for a particular reconciliation period. Such collection shall occur at the time of a Customer's monthly meter reading. Thus, in order to measure the energy consumed by all Customers on a particular day, at least one month is required for data collection. In general, on each day that new metered-usage data is posted, one or more days in the previous month will become "fully metered."

8.4.1 Monthly Metered Customers. Data from monthly-metered Customers is collected in subsets corresponding to customer billing cycles (billing routes), which close on different days of the month. To reconcile energy mismatches on an hourly basis, the Company shall convert such meter data for Customers to the equivalent hourly usage. Rate class load curves adjusted for actual weather values will be applied to metered usage to derive an estimate for the hour-by-hour usage.

8.4.2 Hourly Metered Customers. Data from hourly-metered Customers also will be collected by the Company monthly on a billing route basis.

8.5 Daily Reconciliation. Each business day that new fully metered days are available, the Company will determine hourly reconciliation quantities for that portion of the previous month's usage corresponding to new fully metered days. This information will be made available to the EGS and enable EGSs and the Company to track the day-by-day buildup toward the monthly reconciliation billing that the Company and the EGS will rely on PJM to perform.

The following calculations will be used to determine the reconciliation quantities:

Step 1:

Monthly-metered Customers' actual usage (the billing usage reported by the Company) will be spread over each hour in the usage period based on each Customer's weather-adjusted hourly usage curve using actual hourly weather data for the usage period. The monthly-metered Customer's weather-adjusted usage by hour will be multiplied by the loss factor determined by Customer rate class to determine the Customer's gross usage by hour.

Each hourly-metered Customer's hourly usage will be multiplied by a loss factor determined by Customer rate class to determine the Customer's gross usage by hour.

Step 2:

The gross hourly usage quantity for each Customer will be aggregated by the Company to arrive at a total gross Customer usage quantity by hour for each

EGS for use in Step 3 of this Rule 8.5. For Scheduling Coordinators, this aggregation will account for usage of Coordinated Suppliers' Customers.

Step 3:

The hourly reconciliation quantity for each hour will be calculated by subtracting an EGS's hourly total gross Customer usage amount from the hourly load schedule submitted to PJM for that EGS.

8.6 Monthly Reconciliation. By the third business day after a calendar month becomes fully metered, the Company will compute and make available the complete hourly reconciliation quantities for the entire month.

By the third business day after a calendar month becomes fully metered, the Company also will transfer the monthly reconciliation quantity to PJM. The Company and the EGS will rely on PJM to calculate the EGS reconciliation dollar amounts for each hour. The Company and the EGS will rely on PJM to include EGS reconciliation dollar amounts in the monthly PJM bills to each EGS or Scheduling Coordinator.

9. UTILIZATION OF SCHEDULING COORDINATORS

9.1 Participation Through a Scheduling Coordinator. If an EGS chooses not to interact directly with PJM for scheduling purposes or cannot schedule directly with PJM because its schedules do not meet the "whole megawatt" requirements set by PJM for scheduling, an EGS may become a Coordinated Supplier by entering into a business arrangement with another EGS or other person that will act as a Scheduling Coordinator. A Coordinated Supplier may enter into this business arrangement with a Scheduling Coordinator(s) for an individual service such as load scheduling, or for a variety of services encompassing installed capacity, import capability, load scheduling, and reconciliation rights and responsibilities. To the extent it is responsible for the following activities, the Scheduling Coordinator's transmission service obligation, installed capacity obligation, import capability, load scheduling and reconciliation rights and responsibilities shall include its own Customers and the Customers of its Coordinated Suppliers. All actions of the Scheduling Coordinator that relate to one of its Coordinated Suppliers are binding on, and attributable to, the Coordinated Suppliers.

9.2 Designation of a Scheduling Coordinator. To designate a Scheduling Coordinator, an EGS must provide the Company with a completed Scheduling Coordinator Designation Form, included as a Rider hereto, fully executed by both the EGS and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between an EGS and a Scheduling Coordinator.

9.3 Change in or Termination of Scheduling Coordinator. To change a Scheduling Coordinator, or cease using a Scheduling Coordinator, an EGS shall notify the Company in writing specifying and said notice shall specify the effective month of the change or termination. The effective day of the change or termination shall be the first day of the month indicated in the notification letter unless notification is received by the Company less than ten (10) business days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month.

In the event an EGS ceases using a Scheduling Coordinator, an EGS immediately shall resume the direct performance of all EGS obligations under this Tariff.

9.4 Load Scheduling through a Scheduling Coordinator. Coordinated Suppliers cannot submit individual load schedules to the PJM OI, nor can Coordinated Suppliers propose scheduling changes on an individual basis. Rather, the Scheduling Coordinator is responsible for submitting all schedules and changes thereto on behalf of itself and its Coordinated Suppliers.

9.5 Primary Obligations of A Coordinated Supplier. Notwithstanding their designations of Scheduling Coordinators, each and every EGS remains primarily responsible for fully satisfying the requirements of this Tariff.

10. METERING DATA

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

11. CONFIDENTIALITY OF INFORMATION

11.1 Generally. All confidential or proprietary information made available by the Company to an EGS in connection with the provision of Coordination Services, including but not limited to load curve data, and information regarding the business processes of the Company and the computer and communication systems owned or leased by the Company, shall be used only for purposes of receiving Coordination Services and/or providing Competitive Energy Supply to Customers in the Company's service territory. Other than disclosures to EGS Representatives for the purpose of enabling an EGS to fulfill its obligations under this Tariff or provide Competitive Energy Supply to Customers in the Company's service territory, an EGS may not disclose confidential or proprietary information without the Company's prior written authorization and/or consent.

12. PAYMENT AND BILLING

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

(a) **Company Billing for EGS.** The Customer's EGS will send its charges via electronic transmittal by the Value Added Network ("VAN"), or standard Internet Electronic Delivery Mechanism ("EDM") methodology, to the Company. The Company will in turn render a consolidated bill, containing both EDC and EGS charges, to the Customer.

The Company will calculate EDC charges. The Company will include EGS charges separately on the bill. The Company is not responsible for computing or determining the accuracy of the EGS charges on the bill. The Company will deliver the bill either by mail or electronic means to the Customer. For residential customers, the Company will deliver the bill by mail, unless the Customer chooses electronic billing and the Company offers such service.

The Company will prepare the bill and include both EDC and EGS charges, process customer payments, and handle all collection responsibilities. The Company will include all EGS retail electric and related service charges on the Customer's bill.

The EGS will submit the necessary billing information to facilitate billing services under the billing option in a timely fashion according to applicable performance specifications.

The EGS will provide the Company with a summary of EGS charge(s) by electronic transmittal which enables the Company to prepare the Customer's bill in a timely manner. EGS charges which are not transmitted as required will not be included in the Customer's bill for that billing cycle.

EGS and the Company charges shall be based on the Company's defined meter reading route schedule to avoid any confusion about these charges. The Company shall allow an adjustment in the Customer's meter reading route schedule, including switching the Customer to an EGS specified meter reading route schedule, if

the Customer utilizes a remotely read meter. To the extent approved by the Pa PUC, the Company may charge a non-discriminatory, cost-based fee to make the adjustment.

EGS charges must be received by the Company according to applicable performance specifications.

Meter read data will be transmitted to the EGS by the Company in a timely fashion to be utilized in EGS customer charge computation.

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

(c) Budget Billing. The Company will administer budget billing for the EDC charges and apply payments for Company charges.

(d) Sales Tax Exemption. For Customers receiving one (1) bill from the Company, the EGS for whom the Company is billing must provide the applicable sales tax exemption percentage to the Company. The Company will use the sales tax exemption percentage provided by the EGS for billing the EGS's charges. The EGS is responsible for holding appropriate exemption certificates and is liable for the collection and remittance of sales tax on the EGS's charges.

(e) Company Reimbursement to EGS for Customer Payments. Where the Company acts as the billing agent for the EGS, the Company shall reimburse the EGS for all energy charges, late fees, sales taxes, and other charges that have been collected on behalf of the EGS on a minimum frequency of a daily basis and a maximum frequency of every two weeks. In the event a customer fails to remit the full amount billed, the Company will follow the guidelines established by the PUC, for the hierarchy of the application of funds to portions of the bill. The Company will remit to

the EGS such portions of payment, if any, collected and due to them. The Company will not as collection agent for collection of any funds due to an EGS. The event of partial payment will be indicated to the EGS by the discrepancy of amount billed on behalf of the EGS and the amount remitted for such bill to the EGS.

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

12.2.1 Billing Corrections and Estimated Billings. Notwithstanding anything stated herein bills shall be subject to adjustment for any errors in arithmetic, computation, meter readings, estimating or other errors for a period for six (6) months from the date of the original monthly billing.

12.2.2 Manner of Payment by an EGS to the Company. The EGS may make payments of funds payable to the Company by wire transfer to a bank designated by the Company. The Company may require that an EGS that is not creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or other immediately available funds. If disputes arise regarding an EGS bill, the EGS must pay the undisputed portion of disputed bills under investigation.

12.2.3 Late Fee for Unpaid Balances. If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be the same rate as the Company currently charges in accordance with its Tariff Rates.

12.2.4 EGS Default. In the event that the EGS fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure to make payment is not corrected within thirty (30) calendar days after the Company notifies the EGS to cure such failure, a Default by the EGS shall be deemed to exist. In the event of a billing dispute between the Company and the EGS, the Company will continue to provide service pursuant to

the Individual Coordination Agreement and the Tariff as long as the EGS continues to make all payments not in dispute. A billing dispute shall be dealt with promptly in accordance with the dispute resolution procedures set forth below in Rule 18.

12.2.6 Collection Costs. If an EGS is in Default, as defined in Rule 12.2.4 or Rule 16.3, and the Company files suit against the EGS to collect a delinquent balance on an account (whether active or inactive) or to ensure payment of current bills for Coordination Services, the EGS will be required to pay the Company's out-of-pocket court costs (including filing, service, witness, and attorneys' fees).

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

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

12.5 Amount of Deposits. The deposit shall be equal to the value of Coordination Services charges the Company projects the EGS will incur during the next two (2) billing periods based on that EGS's forecasted load obligation.

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

12.7 Interest on Deposits. The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or six (6) percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

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

13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

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

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

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

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

14. EGS'S DISCONTINUANCE OF SERVICE TO CUSTOMERS

14.1 Notice of Discontinuance to the Company. An EGS shall provide electronic notice to the Company in a form specified by the Company of all intended discontinuances of service to Customers in a manner consistent with applicable PaPUC rules, which apply to all Customer classes.

14.2 Notice to Customers. An EGS shall provide a minimum of thirty (30) days advance notice to any Customer it intends to stop serving of such intended discontinuance in a manner consistent with the PaPUC's rulings in Docket No. 00960890f.0013 and any subsequent applicable PaPUC rulings. The application of this Rule 14.2 will, however, be limited to the classes of Customers to which the referenced PaPUC rulings will apply. With respect to all other classes of Customers, it will be the EGS's responsibility to provide notice to a Customer of its intention to discontinue service in accordance with the EGS's contractual obligations with the Customer.

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

15. LIABILITY

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

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

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

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

15.4 Company's Indemnification of EGS. Subject to Rule 15.2, in the event the Company is not able to render continuous, regular, and uninterrupted supply of service due to interruption or service limitations not caused by the EGS, the Company shall hold the EGS harmless for any penalties, fines, or other costs that the Company may incur.

16. BREACH OF COORDINATION OBLIGATIONS

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

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

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

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

such period and the Breaching Party does not commence action to cure the breach within such period and, thereafter, diligently pursues such action to completion.

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

17. TERMINATION OF INDIVIDUAL COORDINATION AGREEMENT

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

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

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

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

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

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

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

- (a) the cost of the arbitrator chosen by the party to sit on the three (3) member panel and a proportionate share of the cost of the third arbitrator chosen; or
- (b) a proportionate share of the cost of the single arbitrator jointly chosen by the parties.

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

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

19. MISCELLANEOUS

19.1 Notices. Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the other party at the addresses stated in the notice section of the Individual Coordination Agreement. If given by electronic transmission (including fax, telex, telecopy or Internet email), notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and an EGS may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.

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

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

19.4 Assignment.

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

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

19.5 Governing Law. To the extent not subject to the exclusive jurisdiction of the FERC, the formation, validity, interpretation, execution, amendment and termination of

this Tariff or any Individual Coordination Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

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

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

RIDERS**INDIVIDUAL COORDINATION AGREEMENT RIDER**

- 1.0 This Individual Coordination Agreement ("Agreement"), dated as of _____ is entered into, by and between PP&L, Inc. (the "Company") and _____ ("EGS").
- 2.0 The Company agrees to supply, and the EGS agrees to have the Company supply, all "Coordination Services" specified in the Electric Generation Supplier Coordination Tariff ("EGS Coordination Tariff"), including but not limited to load forecasting, load scheduling, and reconciliation services. Both Parties agree that such services are necessary to coordinate the delivery of Competitive Energy Supply to Customers located within the Company's service territory.
- 3.0 Representations and Warranties.
- (a) The EGS hereby represents, warrants and covenants as follows:
- (i) The EGS is in compliance, and will continue to comply, with all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs serving Customers located in the

PJM Control Area; and

(ii) The EGS is licensed by the PaPUC to provide Competitive Energy Supply to Customers in Pennsylvania and has and will continue to satisfy all other PaPUC requirements applicable to EGSs.

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

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

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

principles of equity.

- 4.0 The EGS shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the EGS learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.
- 5.0 Coordination Services between the Company and the EGS will commence on _____.
- 6.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To PP&L, Inc.

Telephone: _____
Facsimile: _____
Internet E-Mail: _____

To the EGS:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____

Internet E-Mail: _____

8.0 The EGS Coordination Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the EGS Coordination Tariff.

IN WITNESS WHEREOF, and intending to be legally bound thereby, PP&L, Inc. and the EGS identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

PP&L, Inc.

By: _____
Name Title Date

By: _____
Name Title Date

SCHEDULING COORDINATOR DESIGNATION FORM

- 1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to PP&L, Inc (the "Company") by the following Electric Generation Supplier ("EGS"):
- _____
- 2.0 By submitting this form, the EGS hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with Rule 9 of the Company's Electric Generation Supplier Coordination Tariff (the "EGS Coordination Tariff"):
- _____
- 3.0. The EGS further notifies the Company that it is designating the person identified in the preceding paragraph as its Scheduling Coordinator for the specific purpose(s) (please check and/or fill in):
- _____ Load Scheduling
- _____ Installed Capacity Obligations
- _____ Import Capability
- _____ Reconciliation Rights and Responsibilities

Other: _____

- 4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the EGS in connection with the Company's provision of Coordination Services to the EGS. Likewise, the Scheduling Coordinator appointed by the EGS shall be responsible for the performance of all Coordination Obligations of the EGS that are specifically delegated to said Scheduling Coordinator in this Form.
- 5.0 The EGS and its appointed Scheduling Coordinator shall comply with all terms and conditions of the EGS Coordination Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.
- 6.0 All inquiries, communications or notices relating to the EGS's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the EGS:

Attn: _____

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

To the Scheduling Coordinator:

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

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

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

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

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

Acknowledgment and Consent

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

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

FILE

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