



OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
(717) 783-2831 (FAX)

October 16, 2006

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

DOCUMENT
FOLDER

ORIGINAL

**Re: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-00061346**

Dear Secretary McNulty:

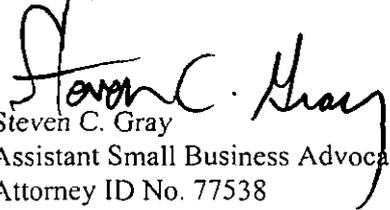
Please be advised that the Office of Small Business Advocate will not be filing Exceptions to the Recommended Decision of Judge Larry Gesoff, issued on October 11, 2006, in the above captioned proceeding.

The Office of Small Business Advocate would like to point out that, though it was not included in the History of the Proceeding on Page 4 of the Recommended Decision, OSBA did file the Surrebuttal Testimony and Exhibits of Brian Kalcic, labeled OSBA Statement No. 3, on August 16, 2006.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

If you have any questions, please contact me.

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

DOCKETED
OCT 18 2006

2006 OCT 16 PM 3:51
SECRETARY'S BUREAU

Enclosures

cc: Cheryl Walker Davis
Office of Special Assistants

Brian Kalcic

73

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

DUQUESNE LIGHT COMPANY

DOCKET NO. R-00061346

2006 OCT 16 PM 3:51
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the foregoing document, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise noted) upon the persons addressed below:

Hon. Larry Gesoff
Administrative Law Judge
Pa. Public Utility Commission
1103 Pittsburgh State Office Bldg.
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(412) 880-0435
(412) 565-5692 (fax)
lgesoff@state.pa.us

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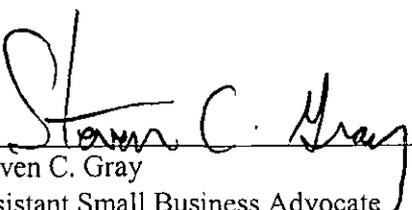
Date: October 16, 2006

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Attorney ID No. 77538



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October 18, 2006

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA HAND DELIVERY

**RE: Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company;
Docket Nos. R-00061346 C0001-C0008**

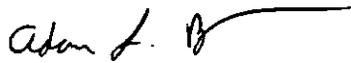
Dear Secretary McNulty:

Please be advised that Duquesne Industrial Intervenors ("DII") will not be filing Exceptions to the Recommended Decision issued in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and kindly return it to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adam L. Benshoff

Counsel to Duquesne Industrial Intervenors

RECEIVED
2006 OCT 18 PM 3:51
PA PUC
SECRETARY'S BUREAU

ALB/lhi

Enclosures

- c: Administrative Law Judge, Larry Gesoff (via e-mail and first class mail)
- Cheryl Walker Davis, Director, Office of Special Assistants (via hand delivery)
- Certificate of Service

**DOCUMENT
FOLDER**

DOCKETED
NOV 01 2006

49

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

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PA PUC

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Daniel Clearfield, Esq.
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VIA E-MAIL ONLY

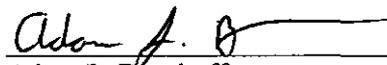
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Adam L. Benshoff

Counsel to Duquesne Industrial Intervenors

Dated this 18th day October, 2006, in Harrisburg, Pennsylvania.



ORIGINAL

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555 Walnut Street, 5th Floor, Forum Place
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FAX (717) 783-7152
consumer@paoca.org

IRWINA. POPOWSKY
Consumer Advocate

October 18, 2006

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Pennsylvania Public Utility Commission
v.
Duquesne Light Company
Docket No. R-00061346

Secretary McNulty:

Please be advised that the Office of Consumer Advocate will not be filing Exceptions to the Recommended Decision of Judge Larry Gesoff, issued on October 11, 2006, in the above captioned proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

Darryl Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682

Enclosures

cc: Parties of Record
Honorable Larry Gesoff

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NOV 01 2006

SECRETARY'S BUREAU
2006 OCT 18 PM 3:55
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57

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket No. R-00061346
Duquesne Light Company :

I hereby certify that I have this day served a true copy of the foregoing document, the letter of no exceptions, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 18th day of October 2006.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Charles Shields, Esquire
Robert Eckenrod, Esquire
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By e-mail only: Charles T. Weakley at cweakley@state.pa.us; Michael Gruber at mgruber@state.pa.us; Janet Markovich at jmarkovich@state.pa.us ; Antonio Maceo at amaceo@state.pa.us and Robert Plonski at rplonski@state.pa.us.

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SERVICE BY E-MAIL and FIRST CLASS MAIL

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DATE: October 19, 2006

SUBJECT: R-00061346 et al

DOCKETED
OCT 26 2006

TO: Office of Administrative Law Judge
Susan Hoffner

FROM: James J. McNulty
Secretary
nvl

**DOCUMENT
FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION, ET AL
V.
DUQUESNE LIGHT COMPANY

Copies of the Recommended Decision have been served upon all parties.

No exceptions have been received by the Commission. This matter is referred to your office for whatever action you deem necessary.

cc: Office of Special Assistants

P.S. Please note that exceptions or reply exceptions may come in timely with certificate of mailings. A second memo will not be released for these exceptions.

**SMIGEL, ANDERSON
& SACKS** LLP

ATTORNEYS AT LAW

ORIGINAL

October 23, 2006

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File No.

9006-2-3

SECRETARY'S OFFICE
OCT 27 AM 8:21
SECRETARY'S OFFICE

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**Re: Pennsylvania Public Utility Commission
v.
Duquesne Light Company
Docket No. R-00061346**

**DOCUMENT
FOLDER**

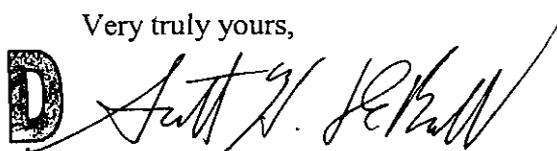
Dear Mr. McNulty:

Please be advised that Wal-Mart Stores East, LP ("Wal-Mart") will not be filing Exceptions to the Recommended Decision issued in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served. Please time-stamp the extra two (2) copies of this letter and return them in the self-addressed stamped envelope.

Very truly yours,

DOCKETED
NOV 01 2006



Scott H. DeBroff
Counsel for Wal-Mart Stores East, LP

SHD/ddm
Enclosures

cc: Administrative Law Judge, Larry Gesoff (via e-mail and first class mail)
Cheryl Walker Davis, Director, Office of Special Assistants (via first class mail)
Certificate of Service

**BEFORE THE
PUBLIC UTILITY COMMISSION OF THE COMMONWEALTH OF
PENNSYLVANIA**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

DUQUESNE LIGHT COMPANY

ORIGINAL

DOCKET NO. R-00061346

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant) in **Docket No. R-00061346**, this day on all parties of record in this proceeding or their attorneys of record:

Michael Gang, Esquire
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Charles Daniel Shields, Esquire
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Steven C. Gray
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SECRETARY'S OFFICE
2006 OCT 27 AM 8:21

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FOR THE
2006 OCT 27 AM 8:21
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Brian Kalcic
bkalcic@mindspring.com

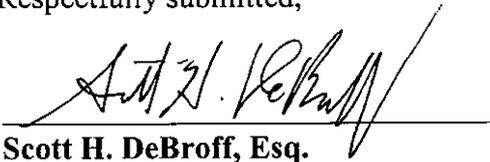
Lafayette Morgan
lmorgan@exeterassociates.com

Jim Selecky
jgselectky@consultbai.com

Dated: **October 23, 2006**

Respectfully submitted,

By:



Scott H. DeBroff, Esq.

Stuart S. Sacks, Esq.

Smigel, Anderson & Sacks

River Chase Office Center

4431 North Front Street

Harrisburg, PA 17110

Tel: (717) 234-2401

Fax: (717) 234-3611

eMail: sdebroff@sasllp.com

Counsel for Wal-Mart Stores East, LP



Duquesne Light

A.DQE Company

Rates & Regulatory Affairs Unit
411 Seventh Avenue 8-6
Pittsburgh, Pennsylvania 15219

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DEC 18 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

December 18, 2006

VIA OVERNIGHT MAIL DELIVERY:

R-00061346

**DOCUMENT
FOLDER**

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

DOCKETED
MAR 15 2007

State Tax Adjustment Surcharge

Dear Mr. McNulty:

Enclosed for filing, please find an original and eight (8) copies of the "Summary of Revenue Requirements" that Duquesne Light Company is required to submit in support of the recalculation of the State Tax Adjustment Surcharge (STAS) in compliance with the Public Utility Commission Order of March 10, 1970.

By its Order of December 1, 2006, in Duquesne's distribution rate case at R-00061346, the Commission approved a modification of the structure of Duquesne's Rider No. 10 - State Tax Adjustment Surcharge, to be effective January 6, 2007. The modification reflects a two-part surcharge, with Part 1 applying to the distribution component of customers' bills and Part 2 to all components of the bills. The tariff language of both the current and modified Rider No. 10 require an annual recalculation of the STAS to be effective on January 1 of each year.

In the interest of efficiency for both the Company and the Commission staff, Duquesne proposes to leave the current STAS of (0.5693%) in effect through January 5, 2007, and replace it with the Part 1 rate of (0.1614%) and Part 2 rate of 0.1277%, as calculated on the enclosed "Summary of Revenue Requirements" effective January 6, 2007. These rates will appear in the compliance tariff to be filed prior to January 6, 2007, in accordance with the above referenced Order. For your information, I am enclosing a copy of the tariff page relative to the STAS that will be included in that compliance filing.

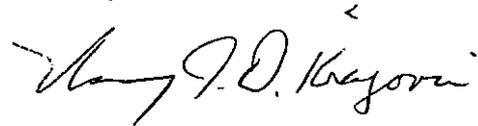
Please return a date-stamped copy of this letter in the enclosed self-addressed, stamped envelope.

87

James J. McNulty
December 18, 2006
Page 2

If you have any questions regarding the information contained in this filing, please contact me at 412.393.6334 or nkrajovic@duqlight.com.

Sincerely,



Nancy J. D. Krajovic
Manager
Regulatory Affairs

Enclosures

c: Mr. R. F. Wilson, Bureau of Fixed Utility Services	w/ enclosure
Mr. J. E. Simms, Office of Trial Staff	"
Mr. I. A. Popowsky, Consumer Advocate	"
Mr. W. R. Lloyd, Jr., Small Business Advocate	"

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DUQUESNE LIGHT COMPANY
State Tax Adjustment Surcharge Computation
Application Period: January 6, 2007 - December 31, 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
Page 1 of 3

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Part I - Applicable to Distribution Charges on Customer Bills

1 Capital Stock and Franchise Tax

Last Settled CSFT Basis	2004	\$490,962,114	
	Current Tax Millage Rate	3.89	
	Millage Recovery in Base Rates	<u>4.99</u>	
		(1.10)	
Decrease in Capital Stock and Franchise Tax Liability			(\$540,058)

2 Public Utility Realty Tax

Taxable Value of T&D Property	2004	26,234,507	
	Current Tax Millage Rate	27.8472	
	Millage Recovery in Base Rates	<u>30.0000</u>	
		(2.1528)	
Decrease in PURTA Liability			(56,478)

3 Reconciliation of Prior Period STAS

Under-refund of Prior Period STAS (See page 3) (1,534)

4 Total of Above Items (598,070)

5 Gross-up for GRT 4 / 0.9398 (636,380)

6 Projected Distribution Revenues for Application Period \$394,203,058

7 Part I STAS Rate (Line 5 / 6) -0.1614%

DUQUESNE LIGHT COMPANY

State Tax Adjustment Surcharge Computation

Page 2 of 3

Application Period: January 6, 2007 - December 31, 2007

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Part II - Applicable to All Charges on Customer Bills

1 Gross Receipts Tax Adjustment for PURTA Surcharge

2007 Surcharge Millage Rate	1.20	
Projected total revenues	\$825,797,387	
Increase in Gross Receipts Tax Liability		\$990,957
4 Total of Above Items		990,957
5 Gross-up for GRT	4 / 0.9398	1,054,434
6 Projected Total Revenues for Application Period		\$825,797,387
7 Part II STAS Rate (Line 5 / 6)		<u>0.1277%</u>

DUQUESNE LIGHT COMPANY

State Tax Adjustment Surcharge Computation

Page 3 of 3

Application Period: January 6, 2007 - December 31, 2007

(Summary of Revenue Requirements Submitted in Compliance with Pennsylvania Public Utility Commission Order Dated March 10, 1970 Re: State Tax Adjustment Procedure and Order dated December 16, 1999 at R-00994930)

Reconciliation of STA Rider 01/01/06 through 12/31/06

1 Capital Stock and Franchise Tax

2000 Taxable	\$382,564,090			
	2006 Tax Expense @	0.489%	=	\$1,870,738
	2006 Tax Expense @	1.275%	=	<u>4,877,692</u>
Amount to be Refunded through STAS				(3,006,954)
Amount Refunded through STAS				<u>(3,001,431)</u>
Underrefund				(\$5,523)

2 PURTA Tax

2004 PURTA Assessment to be refunded through STAS				(418,218)
Amount Refunded through STAS				<u>(422,207)</u>
Overrefund				3,989

3 PURTA GRT Surcharge

2006 PURTA Surcharge of 0 mills				0
Amount recovered through STAS				<u>0</u>
				<u>0</u>

4 Total Over/(Under) Refund of STA 1/1/06 through 12/31/06 (\$1,534)



Mailing Date:
August 1, 2006

DUQUESNE LIGHT CO
ATTN: TAX DEPT
411 SEVEN AVENUE
PITTSBURGH, PA 15219

**Re: 2005 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2005. This notice is based on information provided by your County Tax Assessor's Office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

Local taxing jurisdictions will soon be filing 2006 PURTA property information with the Department of Revenue. This information comes directly from your County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes or corrections to the County Tax Assessor's records must be addressed and/or appealed at the local level. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this Notice of Determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA Tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

1998 - 2005 NOTICES:

2005 Liability:	\$730,558.00
2004 Liability Adjustment:	\$5,996.00
2003 Liability Adjustment:	\$1,770.00
2002 Liability Adjustment:	\$2,325.00
2001 Liability Adjustment:	(\$10,018.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	(\$312.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	\$1,620.00
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$19,737.00
1998 Transition Credit Adjustment:	\$0.00

Sincerely,

Bureau of Corporation Taxes
Department of Revenue

PLEASE SEE PAGE 2
FOR DETAIL

Account ID: 3500023

Name: DUQUESNE LIGHT CO

Account Id: 3500023

Detail

Tax Year 2005 *

	<u>2005</u>
1) Realty Tax Equivalent (RTE):	\$ 31,316,167
2) Total State Taxable Value (STV) for all utilities:	\$ 1,546,689,572
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	27.8472:mills
4) STV for Utility:	<u>\$26,234,507</u>
5) Liability (Line 3 x Line 4):	\$730,558

Tax Year 1998 - 2004

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 39,079,683	\$ 28,278,893	\$ 29,249,226	\$ 29,226,699	\$ 29,938,195	\$ 29,942,762
2) Adjusted Total STV for all utilities:	\$ 2,090,381,492	\$ 2,058,686,870	\$ 1,359,876,955	\$ 1,334,032,493	\$ 1,361,641,755	\$ 1,384,456,111	\$ 1,447,184,767
3) Adjusted Millage Rate (includes 7.6 mills for PTA):	71.3204 mills	26.5828 mills	28.3952 mills	29.5254 mills	29.0643 mills	29.2245 mills	28.2904 mills
4) Adjusted STV for Utility:	\$60,876,054	\$73,565,468	\$42,016,005	\$31,223,756	\$32,570,453	\$26,101,812	\$25,669,640
5) Adjusted Liability (Line 3 x Line 4):	\$4,341,705	\$1,955,576	\$1,193,053	\$921,894	\$946,637	\$762,812	\$726,204
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0	N/A	N/A	N/A
7) Adjustment to Liability of 8/1/2005:	\$19,737	\$1,620	(\$312)	(\$10,018)	\$2,325	\$1,770	\$5,996
8) Adjustment to Transition Credit of 8/1/2005:	\$0	\$0	\$0	\$0	N/A	N/A	N/A

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

* If you do not agree with this Notice of Determination for 2005 PURTA, you may file a Petition for Recalculation pursuant to "Section 1109-A of the Act of March 4, 1971, as amended" with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date of this notice.

PPJTES
2/2/05

SECTION A - CAPITAL STOCK/FRANCHISE TAX

HISTORY OF EARNINGS	BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/00 TO 12/31/00		21,289,558	104,499,504	PY
01/01/01 TO 12/31/01		57,262,287	33,483,931	PY
01/01/02 TO 12/31/02		52,754,400	62,832,388	PY
01/01/03 TO 12/31/03		50,354,299	51,074,651	PY

01/01/04 TO 12/31/04	53,511,583	50,817,527	Y4
TOTAL BOOK INCOME		302,708,001	
AVERAGE NET INCOME	47,034,425	60,541,600	*

EQUITY YEAR ENDING	677,300,000		
EQUITY YEAR BEGINNING	599,731,664	599,800,000	PY
NET WORTH	677,300,000	677,300,000	
CAPITAL STOCK VALUE	501,412,106	572,502,500	*
APPORTIONMENT PROPORTION	.819730	.857572	*
CAPITAL STOCK/FRANCHISE TAX	2,873,048	3,431,825	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA			
PROPERTY FACTOR - TOTAL			
PAYROLL FACTOR - PA			
PAYROLL FACTOR - TOTAL			
SALES FACTOR - PA			
SALES FACTOR - TOTAL			
SINGLE FACTOR - NUMERATOR	2,264,274,454	2,264,418,101	Y4
SINGLE FACTOR - DENOMINATOR	2,762,221,413	2,640,497,798	Y4

SECTION B - LOANS TAX

INDEBTEDNESS	2,611,161	
LOANS TAX	10,343	10,343

SECTION C - CORPORATE NET INCOME TAX

DEPRECIATION CARRY IN AND OUT		0	
NET INCOME	18,020,969	54,133,952	Y4
DIVIDENDS			
US INTEREST			
DEPRECIATION DEDUCTION		0	
OTHER			
TOTAL DEDUCTIONS		0	
INCOME TAXES	7,564,899		
TAX PREFERENCE ITEMS			
EIP ADJUSTMENTS			
DEPRECIATION ADDITION			
OTHER			
TOTAL ADDITIONS	7,564,899	7,564,899	
ADJUSTED INCOME	25,585,868	61,698,851	*
TOTAL NONBUSINESS INCOME		0	
INCOME TO BE APPORTIONED		61,698,851	
APPORTIONMENT PROPORTION	1.000000	1.000000	
PA APPORTIONED INCOME		61,698,851	
PA NONBUSINESS INCOME		0	
INCOME PRIOR TO NL DEDUCTION	25,585,868	61,698,851	*
NET LOSS DEDUCTION	2,000,000	0	*
PA TAXABLE INCOME		61,698,851	*
CORPORATE NET INCOME TAX	2,356,228	6,163,715	*

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR
	12-31-04
	0

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NOTICES

DEPARTMENT OF REVENUE

Public Utility Realty Tax Act (PURTA) Surcharge Rate Notice for the Tax Year Beginning January 1, 2007

[36 Pa.B. 5834]

[Saturday, September 16, 2006]

72 P. S. § 8111-A(d) requires the Secretary of Revenue to publish the rate of the Public Utility Realty Tax Act (PURTA) surcharge in the form of a notice in the *Pennsylvania Bulletin* by October 1, 2003, and by each October 1 thereafter. The tax rate established in 72 P. S. § 8111-A(d) shall be imposed upon gross receipts taxes as provided in 72 P. S. § 8111-A(d) for the period beginning the next January 1.

The result of the PURTA surcharge calculation provided in 72 P. S. § 8111-A for the tax year beginning January 1, 2007, is 1.2 mills (0.0012). Therefore, a surcharge pursuant to 72 P. S. § 8111-A(d) will be imposed for the taxable period beginning January 1, 2007. The additional 1.2 mills (0.0012) shall be paid upon each dollar of gross receipts reported and settled in accordance with 72 P. S. § 8101, except gross receipts from providing mobile telecommunication services and telegraph or telephone messages transmitted in interstate commerce.

GREGORY C. FAJT,
Secretary

[Pa.B. Doc. No. 06-1816. Filed for public inspection September 15, 2006, 9:00 a.m.]

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STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 10 - STATE TAX ADJUSTMENT****(Applicable to All Rates)**

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly. (C)

Part 1 of the surcharge, at a rate of (0.1614%) will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. (D)

Part 2 of the surcharge, at a rate of 0.1277% will include Gross Receipts Tax and will be applied to all portions of customer bills. (I)

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

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DEC 18 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**(C) – Indicates Change****ISSUED:****EFFECTIVE: JANUARY 6, 2007**



DOCUMENT FOLDER

17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Fax
www.postschell.com

Michael W. Gang

mgang@postschell.com
717-612-6026 Direct
File #: 2267-126932

December 22, 2006

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VIA HAND DELIVERY

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

R-00061346

RE: Pennsylvania Public Utility Commission v. Duquesne Light Company
Docket No. R-00061346

Dear Secretary McNulty:

Enclosed for filing on behalf of Duquesne Light Company ("Duquesne Light" or "Company") are eight (8) copies of Supplement No. 2 to Electric - Pa.P.U.C. No. 24 ("Supplement No. 2"). Supplement No. 2 is being filed pursuant to the Pennsylvania Public Utility Commission's ("Commission") Order entered on December 1, 2006, in the above-referenced proceeding. Supplement No. 2 has an issue date of December 22, 2006, effective with service rendered on and after January 6, 2007. The distribution rates contained in Supplement No. 2 are based on the Joint Petition for Settlement of All Issues ("Settlement") agreed to by all parties in the above-referenced proceeding and approved without modification by the Commission's Order adopted November 30, 2006 and entered December 1, 2006. The proof of revenues, which was attached to the Settlement, reflecting the net increase in annual distribution operating revenues of \$117 million permitted by the Settlement that was approved by the Commission is attached as Appendix A.

As agreed to in the Settlement, Supplement No. 2 contains a Transmission Service Charge ("TSC") for customers that take default service from the Company. The TSC is a reconcilable charge that is designed to recover the Company's cost for providing transmission service. The TSC is addressed in Paragraph 17(k) of the Settlement which provides as follows:

52

Duquesne will be permitted to implement the Transmission Service Charge ("TSC") as filed in Exhibit NJDK-1 of Duquesne Light Statement No. 14, and attached as part of Compliance Tariff (Appendix "A" hereto). Retail transmission rates will be set using the formulas set forth in the TSC to achieve the rate in effect under the PJM Interconnection, LLC Open Access Transmission Tariff ("OATT") when distribution rates become effective. Any change in OATT rates will be reflected and reconciled under the procedures set forth in the TSC.

In accordance with this Paragraph, the initial TSC rates reflect the OATT rate that is currently in effect and the rate design for retail transmission rates agreed to under the Settlement. Pursuant to the terms and conditions of the TSC, the transmission revenue requirement under the OATT is allocated to each rate class based on the class contribution to the Company's coincident peak load ("1CP") as determined by PJM Interconnection, LLC ("PJM"). Rates under the TSC become effective in 2007, and therefore, Duquesne Light has used the 1CP established by PJM for 2007 to allocate transmission costs to the rate classes. A proof of revenues reflecting the rate in effect under the OATT is included as Appendix B.

On September 29, 2006, Duquesne Light filed a request with the Federal Energy Regulatory Commission ("FERC") to increase the OATT rate. To date, FERC has not approved the OATT rate increase. However, Duquesne Light anticipates that FERC will approve the new OATT rate on or before January 31, 2007, for service rendered on and after December 1, 2006.

As indicated in Paragraph 17(k) of the Settlement above, the TSC contains a mechanism to adjust retail transmission rates to reflect changes in the OATT rate. With regard to retail rate adjustments, the TSC provides as follows:

The Transmission Service Charges (TSC) defined herein will be updated effective June 1st of each calendar year *or more often upon determination that the rates then in effect would result in a significant over or under collection.* (Emphasis added)

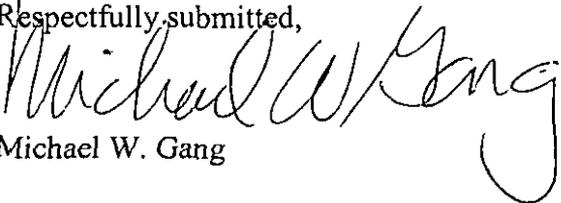
Supplement No. 2 to Electric – Pa. P.U.C. No. 24, First Revised Page No. 114.

Consistent with this tariff provision, Duquesne Light will file a tariff supplement with the Commission updating the TSC rates after FERC approves the new OATT rate. Duquesne Light believes that this will avoid a significant under collection that would occur if the new TSC rates are not implemented until the annual update that becomes effective on June 1, 2007.

James J. McNulty
December 22, 2006
Page 3

As indicated in the certificate of service, Duquesne Light has served a copy of this filing on all parties to the above-referenced base rate proceeding.

Respectfully submitted,



Michael W. Gang

MWG/jl

Enclosures

cc: Certificate of Service
Robert F. Wilson
Paul T. Diskin

Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Summary of Calculations

DISTRIBUTION REVENUE

<u>Rate</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Change</u>
RS	\$147,575,381	\$194,540,413	\$46,965,032
RH	\$5,208,870	\$12,938,436	\$7,729,566
RA	\$760,625	\$1,297,803	\$537,177
GS/GM	\$65,831,430	\$83,790,921	\$17,959,492
GMH	\$4,088,687	\$7,103,283	\$3,014,596
GL	\$31,635,576	\$58,608,362	\$26,972,786
GLH	\$2,903,096	\$8,395,258	\$5,492,162
L	\$10,067,782	\$18,510,363	\$8,442,581
HVPS	\$425,418	\$373,427	(\$51,992)
AL	\$1,003	\$948	(\$54)
SE	\$1,493,807	\$1,494,367	\$559
SM	\$9,129,115	\$9,161,887	\$32,771
SH	\$71,242	\$122,868	\$51,626
MTS	\$589,692	\$494,920	(\$94,771)
PAL	\$172,793	\$122,104	(\$50,689)
Total	\$279,954,517	\$396,955,359	\$117,000,842

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate RS - Residential Service

CURRENT RATES	Units	Rate	Revenue
Rate RS			
Distribution			
Total Bills	5,970,182	\$6.48	\$38,686,779
All kWh	3,609,866,133	\$0.030694	\$110,801,231
Subtotal	3,609,866,133		\$149,488,010
Transmission - All kWh	2,865,510,422	\$0.002523	\$7,229,683
Generation - All kWh	2,865,510,422	\$0.063031	\$180,615,987
Rate RS & Rider 14			
Distribution			
Meter Charge	293	\$1.52	\$445
Winter kWh	121,623	\$0.005355	\$651
Subtotal	121,623		\$1,097
Transmission - Winter kWh	121,623	\$0.002114	\$257
Generation - Winter kWh	121,623	\$0.026133	\$3,178
Rate RS & Rider 19			
Generation - All kWh	198,514	\$0.0303	\$6,015
Subtotal Revenue			\$337,344,228
Rider 10 - State Tax Adjustment			(\$1,913,726)
Total Calculated Revenue			\$335,430,502

PROPOSED RATES	Units	Rate	Revenue
Rate RS			
Distribution			
Total Bills	5,970,182	\$7.00	\$41,791,274
All kWh	3,609,866,133	\$0.042313	\$152,743,993
Subtotal	3,609,866,133		\$194,535,267
Transmission - All kWh	2,865,510,422	\$0.006701	\$19,201,502
Generation - All kWh	2,865,510,422	\$0.063031	\$180,615,987
Rate RS & Rider 14			
Distribution			
Meter Charge	293	\$0.00	\$0
Winter kWh	121,623	\$0.042313	\$5,146
Subtotal	121,623		\$5,146
Transmission - Winter kWh	121,623	\$0.006701	\$815
Generation - Winter kWh	121,623	\$0.026133	\$3,178
Rate RS & Rider 19			
Generation - All kWh	198,514	\$0.0303	\$6,015
Subtotal Revenue			\$394,367,910
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$394,367,910

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$147,575,381	\$7,229,940	\$180,625,181	\$335,430,502
Proposed Rates	\$194,540,413	\$19,202,317	\$180,625,181	\$394,367,910
Revenue Change	\$46,965,032	\$11,972,377	\$0	\$58,937,408

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate RH - Residential Service Heating

CURRENT RATES	Units	Rate	Revenue
Rate RH			
<u>Distribution</u>			
Total Bills	298,314	\$6.48	\$1,933,075
Summer kWh	107,476,496	\$0.014657	\$1,575,283
Winter first 500 kWh	68,176,102	\$0.014657	\$999,257
Winter additional kWh	155,980,485	\$0.005355	\$835,275
Subtotal	331,633,084		\$5,342,890
Transmission - All kWh	328,896,294	\$0.002114	\$695,287
<u>Generation</u>			
Summer kWh	106,443,713	\$0.076604	\$8,154,014
Winter first 500 kWh	67,730,603	\$0.076604	\$5,188,435
Winter additional kWh	154,721,978	\$0.026133	\$4,043,349
Subtotal	328,896,294		\$17,385,799
Rate RH & Rider 19			
Generation - All kWh	293,532	\$0.0303	\$8,894
Subtotal Revenue			\$23,432,870
Rider 10 - State Tax Adjustment			(\$134,021)
Total Calculated Revenue			\$23,298,849

PROPOSED RATES	Units	Rate	Revenue
Rate RH			
<u>Distribution</u>			
Total Bills	298,314	\$7.00	\$2,088,198
Summer kWh	107,476,496	\$0.042313	\$4,547,645
Winter first 500 kWh	68,176,102	\$0.042313	\$2,884,730
Winter additional kWh	155,980,485	\$0.021912	\$3,417,863
Subtotal	331,633,084		\$12,938,436
Transmission - All kWh	328,896,294	\$0.003314	\$1,089,843
<u>Generation</u>			
Summer kWh	106,443,713	\$0.076604	\$8,154,014
Winter first 500 kWh	67,730,603	\$0.076604	\$5,188,435
Winter additional kWh	154,721,978	\$0.026133	\$4,043,349
Subtotal	328,896,294		\$17,385,799
Rate RH & Rider 19			
Generation - All kWh	293,532	\$0.0303	\$8,894
Subtotal Revenue			\$31,422,971
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$31,422,971

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$5,208,870	\$695,287	\$17,394,693	\$23,298,849
Proposed Rates	\$12,938,436	\$1,089,843	\$17,394,693	\$31,422,971
Revenue Change	\$7,729,566	\$394,556	\$0	\$8,124,122

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate RA - Residential Service Add-On Heat Pump

CURRENT RATES	Units	Rate	Revenue
Rate RA			
<u>Distribution</u>			
Total Bills	37,002	\$6.48	\$239,773
Summer kWh	20,738,356	\$0.015817	\$328,019
Winter first 500 kWh	8,799,010	\$0.015817	\$139,174
Winter additional kWh	12,244,293	\$0.005779	\$70,760
Subtotal	41,781,659		\$777,725
Transmission - All kWh	34,204,863	\$0.002574	\$88,043
<u>Generation</u>			
Summer kWh	16,953,230	\$0.077806	\$1,319,063
Winter first 500 kWh	6,906,036	\$0.077806	\$537,331
Winter additional kWh	10,345,598	\$0.027020	\$279,538
Subtotal	34,204,863		\$2,135,932
Rate RA & Rider 19			
Generation - All kWh	71,488	\$0.0303	\$2,166
Subtotal Revenue			\$3,003,867
Rider 10 - State Tax Adjustment			(\$17,100)
Total Calculated Revenue			\$2,986,767

PROPOSED RATES	Units	Rate	Revenue
Rate RA			
<u>Distribution</u>			
Total Bills	37,002	\$7.00	\$259,014
Summer kWh	20,738,356	\$0.028953	\$600,442
Winter first 500 kWh	8,799,010	\$0.028953	\$254,760
Winter additional kWh	12,244,293	\$0.014994	\$183,587
Subtotal	41,781,659		\$1,297,803
Transmission - All kWh	34,204,863	\$0.006129	\$209,645
<u>Generation</u>			
Summer kWh	16,953,230	\$0.077806	\$1,319,063
Winter first 500 kWh	6,906,036	\$0.077806	\$537,331
Winter additional kWh	10,345,598	\$0.027020	\$279,538
Subtotal	34,204,863		\$2,135,932
Rate RA & Rider 19			
Generation - All kWh	71,488	\$0.0303	\$2,166
Subtotal Revenue			\$3,645,545
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$3,645,545

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$760,625	\$88,043	\$2,138,098	\$2,986,767
Proposed Rates	\$1,297,803	\$209,645	\$2,138,098	\$3,645,545
Revenue Change	\$537,177	\$121,601	\$0	\$658,779

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate GS/GM - General Service Small and Medium

CURRENT RATES	Units	Rate	Revenue
Rate GSGM - Non-Demand Metered Customers			
Distribution			
Total Bills	167,477	\$9.21	\$1,542,463
First 550 kWh	34,390,427	\$0.026693	\$917,984
Next 750 kWh	5,180,781	\$0.024967	\$129,349
Additional kWh	1,281,581	\$0.006743	\$8,642
	40,852,789		\$2,598,437
Transmission			
All kWh	34,659,178	\$0.001607	\$55,697
Rate GSGM - Demand Metered Customers			
Distribution			
Total Bills	488,249	\$9.21	\$4,496,773
Demand first 5 kW	1,872,738	\$0.00	\$0
Demand additional kW	8,300,099	\$3.60	\$29,880,355
First 550 kWh	232,412,502	\$0.026693	\$6,203,787
Next 750 kWh	237,916,286	\$0.024967	\$5,940,056
Additional kWh	2,598,496,108	\$0.006743	\$17,521,659
Subtotal	3,068,824,895		\$64,042,630
Meter Charge			\$193,097
Transmission			
Demand first 5 kW	1,493,165	\$0.00	\$0
Demand additional kW	5,578,335	\$0.56	\$3,123,868
All kWh	2,266,253,729	\$0.001607	\$3,641,870
Subtotal	2,266,253,729		\$6,765,737
Generation			
Demand first 5 kW	1,493,165	\$0.00	\$0
Demand additional kW	5,578,335	\$9.28	\$51,766,949
First 550 kWh	218,202,472	\$0.079914	\$17,437,432
Next 750 kWh	191,830,886	\$0.079914	\$15,329,973
Additional kWh	1,890,877,702	\$0.034824	\$65,847,925
Subtotal	2,300,911,060		\$150,382,280
Rate GSGM & Rider 12			
Distribution			
Total Bills	2,654	\$6.48	\$17,198
All kWh	8,428,775	\$0.030694	\$258,713
Subtotal	8,428,775		\$275,911
Transmission - All kWh			6,324,612
Generation - All kWh			6,324,612
			\$0.002523
			\$0.063031
			\$15,957
			\$398,647
Rate GSGM & Rider 19			
Generation - All kWh			1,847
			\$0.0303
			\$56
Subtotal Revenue			\$224,728,449
Rider 10 - State Tax Adjustment			(\$1,278,646)
Total Calculated Revenue			\$223,449,804

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate GS/GM - General Service Small and Medium

PROPOSED RATES	Units	Rate	Revenue
Rate GSGM - Non-Demand Metered Customers			
<u>Distribution</u>			
Total Bills	167,477	\$7.00	\$1,172,339
First 550 kWh	34,390,427	\$0.042313	\$1,455,160
Next 750 kWh	5,180,781	\$0.042313	\$219,214
Additional kWh	1,281,581	\$0.042313	\$54,227
	40,852,789		\$2,900,940
<u>Transmission</u>			
All kWh	34,659,178	\$0.006701	\$232,248
Rate GSGM - Demand Metered Customers			
<u>Distribution</u>			
Total Bills	488,249	\$30.00	\$14,647,470
Demand first 5 kW	1,872,738	\$0.00	\$0
Demand additional kW	8,300,099	\$4.84	\$40,190,087
First 550 kWh	232,412,502	\$0.008323	\$1,934,429
Next 750 kWh	237,916,286	\$0.008323	\$1,980,238
Additional kWh	2,598,496,108	\$0.008323	\$21,627,950
Subtotal	3,068,824,895		\$80,380,175
<u>Meter Charge</u>			\$134,583
<u>Transmission</u>			
Demand first 5 kW	1,493,165	\$0.45	\$670,571
Demand additional kW	5,578,335	\$0.45	\$2,505,196
All kWh	2,266,253,729	\$0.001489	\$3,373,771
Subtotal	2,266,253,729		\$6,549,538
<u>Generation</u>			
Demand first 5 kW	1,493,165	\$0.00	\$0
Demand additional kW	5,578,335	\$9.28	\$51,766,949
First 550 kWh	218,202,472	\$0.079914	\$17,437,432
Next 750 kWh	191,830,886	\$0.079914	\$15,329,973
Additional kWh	1,890,877,702	\$0.034824	\$65,847,925
Subtotal	2,300,911,060		\$150,382,280
Rate GSGM & Rider 12			
<u>Distribution</u>			
Total Bills	2,654	\$7.00	\$18,578
All kWh	8,428,775	\$0.042313	\$356,646
Subtotal	8,428,775		\$375,224
<u>Transmission - All kWh</u>			\$42,381
<u>Generation - All kWh</u>			\$398,647
Rate GSGM & Rider 19			
<u>Generation - All kWh</u>			\$56
Subtotal Revenue			\$241,396,070
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$241,396,070

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$65,831,430	\$6,837,392	\$150,780,983	\$223,449,804
Proposed Rates	\$83,790,921	\$6,824,166	\$150,780,983	\$241,396,070
Revenue Change	\$17,959,492	(\$13,226)	\$0	\$17,946,266

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate GMH - General Service Medium Heating

CURRENT RATES	Units	Rate	Revenue
Rate GMH			
Distribution			
Total Bills	40,505	\$9.21	\$373,051
Summer - first 5 kW	55,642	\$0.00	\$0
Summer - additional kW	249,167	\$2.96	\$737,534
First 550 kWh	6,253,605	\$0.021928	\$137,129
Next 750 kWh	6,562,036	\$0.020510	\$134,587
Additional kWh	80,786,432	\$0.005539	\$447,476
Winter first block kWh	100,907,088	\$0.017884	\$1,804,622
Winter additional kWh	100,210,866	\$0.005539	\$555,068
Subtotal	294,720,027		\$4,189,468
Meter Charge			\$11,247
Transmission			
Summer - first 5 kW	49,257	\$0.00	\$0
Summer - additional kW	223,010	\$0.55	\$122,655
All kWh	271,447,379	\$0.001977	\$536,651
Subtotal	271,447,379		\$659,307
Generation			
Summer - first 5 kW	49,257	\$0.00	\$0
Summer - additional kW	223,010	\$9.66	\$2,154,274
First 550 kWh	5,540,022	\$0.082699	\$458,154
Next 750 kWh	5,829,855	\$0.082699	\$482,123
Additional kWh	75,075,376	\$0.030442	\$2,285,445
Winter first block kWh	91,091,807	\$0.072685	\$6,621,008
Winter additional kWh	93,910,318	\$0.030442	\$2,858,818
Subtotal	271,447,379		\$14,859,822
Rate GMH & Rider 12			
Distribution			
Total Bills	24	\$6.48	\$156
Summer kWh	21,125	\$0.014657	\$310
Winter first 500 kWh	6,945	\$0.014657	\$102
Winter additional kWh	23,983	\$0.005355	\$128
Subtotal	52,053		\$695
Transmission - All kWh	4,372	\$0.002114	\$9
Generation - All kWh	4,372	\$0.076604	\$335
Subtotal Revenue			\$19,720,883
Rider 10 - State Tax Adjustment			(\$112,723)
Total Calculated Revenue			\$19,608,160

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate GMH - General Service Medium Heating

PROPOSED RATES	Units	Rate	Revenue
Rate GMH			
<u>Distribution</u>			
Total Bills	40,505	\$30.00	\$1,215,150
Summer - first 5 kW	55,642	\$0.00	\$0
Summer - additional kW	249,167	\$4.84	\$1,206,496
First 550 kWh	6,253,605	\$0.008323	\$52,050
Next 750 kWh	6,562,036	\$0.008323	\$54,618
Additional kWh	80,786,432	\$0.008323	\$672,406
Winter first block kWh	100,907,088	\$0.030313	\$3,058,762
Winter additional kWh	100,210,866	\$0.008323	\$834,081
Subtotal	294,720,027		\$7,093,563
Meter Charge			\$7,839
<u>Transmission</u>			
Summer - first 5 kW	49,257	\$0.45	\$22,121
Summer - additional kW	223,010	\$0.45	\$100,152
All kWh	271,447,379	\$0.002429	\$659,286
Subtotal	271,447,379		\$781,560
<u>Generation</u>			
Summer - first 5 kW	49,257	\$0.00	\$0
Summer - additional kW	223,010	\$9.66	\$2,154,274
First 550 kWh	5,540,022	\$0.082699	\$458,154
Next 750 kWh	5,829,855	\$0.082699	\$482,123
Additional kWh	75,075,376	\$0.030442	\$2,285,445
Winter first block kWh	91,091,807	\$0.072685	\$6,621,008
Winter additional kWh	93,910,318	\$0.030442	\$2,858,818
Subtotal	271,447,379		\$14,859,822
Rate GMH & Rider 12			
<u>Distribution</u>			
Total Bills	24	\$7.00	\$168
Summer kWh	21,125	\$0.042313	\$894
Winter first 500 kWh	6,945	\$0.042313	\$294
Winter additional kWh	23,983	\$0.021912	\$526
Subtotal	52,053		\$1,881
Transmission - All kWh	4,372	\$0.003314	\$14
Generation - All kWh	4,372	\$0.076604	\$335
Subtotal Revenue			\$22,745,014
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$22,745,014

<u>Revenue Summary</u>	<u>Distribution</u>	<u>Transmission</u>	<u>Generation</u>	<u>Total</u>
Current Rates	\$4,088,687	\$659,316	\$14,860,157	\$19,608,160
Proposed Rates	\$7,103,283	\$781,574	\$14,860,157	\$22,745,014
Revenue Change	\$3,014,596	\$122,258	\$0	\$3,136,854

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate GL - General Service Large

CURRENT RATES	Units	Rate	Revenue
Rate GL			
<u>Distribution</u>			
First 300 kW or less	8,944	\$730.85	\$6,536,722
Additional kW	5,505,728	\$1.85	\$10,185,597
All kWh	3,338,997,219	\$0.004545	\$15,175,742
Subtotal	3,338,997,219		\$31,898,062
<u>Transmission</u>			
First 300 kW or less	819	\$146.30	\$119,820
Additional kW	394,659	\$0.49	\$193,383
All kWh	210,353,337	\$0.001144	\$240,644
Subtotal	210,353,337		\$553,847
Generation - All kWh (1)	210,353,337	\$0.067391	\$14,175,859
Subtotal Revenue			\$46,627,767
Rider 10 - State Tax Adjustment			(\$262,485)
Total Calculated Revenue			<u>\$46,365,282</u>

PROPOSED RATES	Units	Rate	Revenue
Rate GL			
<u>Distribution</u>			
First 300 kW or less	8,944	\$2,121.00	\$18,970,224
Additional kW	5,505,728	\$6.45	\$35,511,946
All kWh	3,338,997,219	\$0.001236	\$4,126,192
Subtotal	3,338,997,219		\$58,608,362
<u>Transmission</u>			
First 300 kW or less	819	\$0.00	\$0
Additional kW	394,659	\$0.00	\$0
All kWh	210,353,337	\$0.00	\$0
Subtotal	210,353,337		\$0
Transmission at 1CP Rate-\$/kW	9,899	\$1.5574	\$185,007
Generation - All kWh (1)	210,353,337	\$0.067391	\$14,175,859
Subtotal Revenue			\$72,969,228
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			<u>\$72,969,228</u>

<u>Revenue Summary</u>	<u>Distribution</u>	<u>Transmission</u>	<u>Generation</u>	<u>Total</u>
Current Rates	\$31,635,576	\$553,847	\$14,175,859	\$46,365,282
Proposed Rates	\$58,608,362	\$185,007	\$14,175,859	\$72,969,228
Revenue Change	\$26,972,786	(\$368,840)	\$0	\$26,603,946

1/ Class average 2005 POLR generation rate.

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate GLH - General Service Large Heating

CURRENT RATES	Units	Rate	Revenue
Rate GLH			
<i>Distribution</i>			
Total Bills	1,404	\$9.21	\$12,931
Summer first 300 kW or less	474	\$447.59	\$212,238
Summer additional kW	273,644	\$1.13	\$309,217
All kWh	186,123,390	\$0.002784	\$518,168
Winter first block kWh	136,426,499	\$0.008987	\$1,226,065
Winter additional kWh	234,318,677	\$0.002784	\$652,343
Subtotal	556,868,565		\$2,930,961
<i>Transmission</i>			
Summer first 300 kW or less	48	\$182.87	\$8,833
Summer additional kW	10,719	\$0.61	\$6,538
All kWh	28,514,365	\$0.002096	\$59,766
Subtotal	28,514,365		\$75,137
Generation - All kWh (1)	28,514,365	\$0.067749	\$1,931,827
Subtotal Revenue			\$4,937,926
Rider 10 - State Tax Adjustment			(\$27,866)
Total Calculated Revenue			\$4,910,060

PROPOSED RATES	Units	Rate	Revenue
Rate GLH			
<i>Distribution</i>			
Total Bills	1,404	\$30.00	\$42,120
Summer first 300 kW or less	474	\$2,121.00	\$1,005,733
Summer additional kW	273,644	\$6.45	\$1,765,001
All kWh	186,123,390	\$0.001236	\$230,003
Winter first block kWh	136,426,499	\$0.037110	\$5,062,839
Winter additional kWh	234,318,677	\$0.001236	\$289,561
Subtotal	556,868,565		\$8,395,258
<i>Transmission</i>			
Summer first 300 kW or less	0	\$0.00	\$0
Summer additional kW	0	\$0.00	\$0
All kWh	0	\$0.000000	\$0
Subtotal	0		\$0
Transmission at 1CP Rate-\$/kW	5,819	\$1.5574	\$108,747
Generation - All kWh (1)	28,514,365	\$0.067749	\$1,931,827
Subtotal Revenue			\$10,435,833
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$10,435,833

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$2,903,096	\$75,137	\$1,931,827	\$4,910,060
Proposed Rates	\$8,395,258	\$108,747	\$1,931,827	\$10,435,833
Revenue Change	\$5,492,162	\$33,610	\$0	\$5,525,772

1/ Class average 2005 POLR generation rate.

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate L - Large Power Service

CURRENT RATES	Units	Rate	Revenue	
Rate L				
<u>Distribution</u>				
First 5,000 KW or less	297	\$9,219.62	\$2,738,227	
Next 10,000 KW	1,028,067	\$1.48	\$1,521,540	
Next 25,000 KW	300,847	\$1.44	\$433,219	
Additional KW	49,444	\$1.40	\$69,221	
First Block kWh	1,088,846,871	\$0.004445	\$4,839,924	
Next 150 KWH per KW	163,452,212	\$0.002842	\$464,531	
Additional KWH	21,616,836	\$0.002557	\$55,274	
Subtotal	1,273,915,919		\$10,121,937	
Untransformed Service Credit			(\$48,174)	
<u>Transmission</u>				
First 5,000 KW or less	9	\$2,184.27	\$19,658	
Additional KW	61,468	\$0.44	\$27,046	
All KWH	37,551,265	\$0.001207	\$45,324	
Subtotal	37,551,265		\$92,029	
Generation - All kWh (1)	37,551,265	\$0.028429	\$1,067,554	
Rate L & Rider 16				
<u>Distribution</u>				
L Demand Charge kW	65,000	\$0.69	\$44,850	
L Energy Charge kWh	3,303,478	\$0.004445	\$14,684	
Subtotal	3,303,478		\$59,534	
<u>Transmission</u>				
L Demand Charge kW	65,000	\$0.44	\$28,600	
L Energy Charge kWh	3,303,478	\$0.001207	\$3,987	
Subtotal	3,303,478		\$32,587	
Generation - All kWh (1)	3,303,478	\$0.111138	\$367,142	
Subtotal Revenue			\$11,692,609	
Rider 10 - State Tax Adjustment			(\$65,515)	
Total Calculated Revenue			\$11,627,094	
<hr/>				
PROPOSED RATES	Units	Rate	Revenue	
Rate L				
<u>Distribution</u>				
First 5,000 KW or less	297	\$30,555.00	\$9,074,835	
Next 10,000 KW	1,028,067	\$6.04	\$6,209,528	
Next 25,000 KW	300,847	\$5.89	\$1,771,649	
Additional KW	49,444	\$5.89	\$291,167	
First Block kWh	1,088,846,871	\$0.001100	\$1,198,079	
Next 150 KWH per KW	163,452,212	\$0.001100	\$179,850	
Additional KWH	21,616,836	\$0.001100	\$23,785	
Subtotal	1,273,915,919		\$18,748,892	
Untransformed Service Credit			(\$370,569)	
<u>Transmission</u>				
First 5,000 KW or less	9	\$0.00	\$0	
Additional KW	61,468	\$0.00	\$0	
All KWH	37,551,265	\$0.00	\$0	
Subtotal	37,551,265		\$0	
Transmission at 1CP Rate-\$/kW	0	\$1.5574	\$0	
Generation - All kWh (1)	37,551,265	\$0.028429	\$1,067,554	
Rate L & Rider 16				
<u>Distribution</u>				
L Monthly Minimum	8	\$1,405.00	\$11,240	
L Demand Charge kW	20,000	\$6.04	\$120,800	
L Energy Charge kWh	3,303,478	\$0.00	\$0	
Subtotal	3,303,478		\$132,040	
<u>Transmission</u>				
L Demand Charge kW	65,000	\$0.00	\$0	
L Energy Charge kWh	3,303,478	\$0.00	\$0	
Subtotal	3,303,478		\$0	
Transmission at 1CP Rate-\$/kW	0	\$1.5574	\$0	
Generation - All kWh (1)	3,303,478	\$0.111138	\$367,142	
Subtotal Revenue			\$19,945,059	
Rider 10 - State Tax Adjustment		0.0000%	\$0	
Total Calculated Revenue			\$19,945,059	
<hr/>				
Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$10,067,782	\$124,616	\$1,434,696	\$11,627,094
Proposed Rates	\$18,510,363	\$0	\$1,434,696	\$19,945,059
Revenue Change	\$8,442,581	(\$124,616)	\$0	\$8,317,965

1/ Class average 2005 POLR generation rate.

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate HVPS - High Voltage Power Service

CURRENT RATES	Units	Rate	Revenue
Rate HVPS			
<u>Distribution</u>			
First 30,000 KW	36	\$2,839.65	\$102,227
Additional KW	420,000	\$0.10	\$42,000
On-Peak KWH	400,168,800	\$0.000340	\$136,057
Off-Peak KWH	933,727,200	\$0.000158	\$147,529
Subtotal	1,333,896,000		\$427,814
<u>Transmission</u>			
First 30,000 KW	0	\$15,239.10	\$0
Additional KW	0	\$0.51	\$0
On-Peak KWH	0	\$0.001285	\$0
Off-Peak KWH	0	\$0.001285	\$0
Subtotal	0		\$0
<u>Generation</u>			
First 30,000 KW	0	\$244,450.05	\$0
Additional KW	0	\$8.86	\$0
On-Peak KWH	0	\$0.029884	\$0
Off-Peak KWH	0	\$0.013228	\$0
Subtotal	0		\$0
Generation - All kWh (1)	0	\$0.000000	\$0
Interruptible Service Credit			\$0
Subtotal Revenue			\$427,814
Rider 10 - State Tax Adjustment			(\$2,395)
Total Calculated Revenue			\$425,418

PROPOSED RATES	Units	Rate	Revenue
Rate HVPS			
<u>Distribution</u>			
First 30,000 KW	36	\$9,114.90	\$328,136
Additional KW	420,000	\$0.11	\$45,290
On-Peak KWH	400,168,800	\$0.000000	\$0
Off-Peak KWH	933,727,200	\$0.000000	\$0
Subtotal	1,333,896,000		\$373,427
<u>Transmission</u>			
First 30,000 KW	0	\$0.00	\$0
Additional KW	0	\$0.00	\$0
On-Peak KWH	0	\$0.000000	\$0
Off-Peak KWH	0	\$0.000000	\$0
Subtotal	0		\$0
Transmission at 1CP Rate-\$/kW	0	\$1.5574	\$0
<u>Generation</u>			
First 30,000 KW	0	\$244,450.05	\$0
Additional KW	0	\$8.86	\$0
On-Peak KWH	0	\$0.029884	\$0
Off-Peak KWH	0	\$0.013228	\$0
Subtotal	0		\$0
Generation - All kWh (1)	0	\$0.000000	\$0
Subtotal Revenue			\$373,427
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$373,427

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$425,418	\$0	\$0	\$425,418
Proposed Rates	\$373,427	\$0	\$0	\$373,427
Revenue Change	(\$51,992)	\$0	\$0	(\$51,992)

1/ Class average generation shown as zero because no customers were on POLR III service in 2005.

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate AL - Architectural Lighting Service

CURRENT RATES	Units	Rate	Revenue
Rate AL			
Distribution			
Total Bills	36	\$9.21	\$332
Demand all kW	338	\$0.89	\$301
First 300 kWh	7,200	\$0.012373	\$89
Additional kWh	95,370	\$0.003071	\$293
Subtotal	102,570		\$1,014
Transmission			
Demand all kW	94	\$0.09	\$8
First 300 kWh	3,600	\$0.000677	\$2
Additional kWh	13,270	\$0.000677	\$9
Subtotal	16,870		\$20
Generation			
Demand all kW	94	\$5.06	\$474
First 300 kWh	3,600	\$0.071574	\$258
Additional kWh	13,270	\$0.017392	\$231
Subtotal	16,870		\$963
Subtotal Revenue			\$1,997
Rider 10 - State Tax Adjustment			(\$11)
Total Calculated Revenue			\$1,985

PROPOSED RATES	Units	Rate	Revenue
Rate AL			
Distribution			
Total Bills	36	\$7.50	\$270
Demand all kW	338	\$1.40	\$474
First 300 kWh	7,200	\$0.001991	\$14
Additional kWh	95,370	\$0.001991	\$190
Subtotal	102,570		\$948
Transmission			
Demand all kW	94	\$0.00	\$0
First 300 kWh	3,600	\$0.00	\$0
Additional kWh	13,270	\$0.00	\$0
Subtotal	16,870		\$0
Generation			
Demand all kW	94	\$5.06	\$474
First 300 kWh	3,600	\$0.071574	\$258
Additional kWh	13,270	\$0.017392	\$231
Subtotal	16,870		\$963
Subtotal Revenue			\$1,911
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$1,911

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$1,003	\$20	\$963	\$1,985
Proposed Rates	\$948	\$0	\$963	\$1,911
Revenue Change	(\$54)	(\$20)	\$0	(\$74)

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate SE - Street Lighting Energy

CURRENT RATES	Units	Rate	Revenue
Rate SE			
<u>Distribution</u>			
All kWh	28,332,192	\$0.053253	\$1,508,774
<u>Transmission</u>			
All kWh	28,332,192	\$0.000622	\$17,623
<u>Generation</u>			
All kWh	28,332,192	\$0.038918	\$1,102,632
Subtotal Revenue			\$2,629,029
Rider 10 - State Tax Adjustment			(\$14,967)
Total Calculated Revenue			\$2,614,062

PROPOSED RATES	Units	Rate	Revenue
Rate SE			
<u>Distribution</u>			
All Fixtures	39,312	\$3.17	\$1,494,367
<u>Transmission</u>			
All Fixtures	39,312	\$0.00	\$0
<u>Generation</u>			
All kWh	28,332,192	\$0.038918	\$1,102,632
Subtotal Revenue			\$2,596,999
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$2,596,999

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$1,493,807	\$17,623	\$1,102,632	\$2,614,062
Proposed Rates	\$1,494,367	\$0	\$1,102,632	\$2,596,999
Revenue Change	\$559	(\$17,623)	\$0	(\$17,063)

Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate SM - Street Lighting Municipal

CURRENT RATES	kWh Usage	Annual Units	Rate	Revenue
Rate SM				
Distribution				
Mercury Vapor 100W	535,392	12,168	\$11.09	\$134,943
Mercury Vapor 175W	2,370,960	32,040	\$14.45	\$462,978
Mercury Vapor 250W	605,880	5,940	\$17.99	\$106,861
Mercury Vapor 400W	1,711,752	10,632	\$24.36	\$258,996
Mercury Vapor 1,000W	111,168	288	\$52.63	\$15,157
Sodium Vapor 70W	14,045,520	484,320	\$11.28	\$5,463,130
Sodium Vapor 100W	2,946,000	58,920	\$14.40	\$848,448
Sodium Vapor 150W	5,754,408	81,048	\$17.06	\$1,382,679
Sodium Vapor 250W	1,844,040	16,764	\$24.94	\$418,094
Sodium Vapor 400W	487,560	2,868	\$32.54	\$93,325
Sodium Vapor 1,000W	18,576	48	\$68.05	\$3,266
Poles		0	\$1.33	\$0
Subtotal	30,431,256	705,036		\$9,187,876
Transmission				
Mercury Vapor 100W	532,224	12,096	\$0.03	\$363
Mercury Vapor 175W	2,364,744	31,956	\$0.05	\$1,598
Mercury Vapor 250W	567,936	5,568	\$0.06	\$334
Mercury Vapor 400W	1,619,016	10,056	\$0.10	\$1,006
Mercury Vapor 1,000W	111,168	288	\$0.24	\$69
Sodium Vapor 70W	13,449,408	463,764	\$0.02	\$9,275
Sodium Vapor 100W	2,535,600	50,712	\$0.03	\$1,521
Sodium Vapor 150W	5,537,148	77,988	\$0.04	\$3,120
Sodium Vapor 250W	1,660,560	15,096	\$0.07	\$1,057
Sodium Vapor 400W	487,560	2,868	\$0.10	\$287
Sodium Vapor 1,000W	13,932	36	\$0.24	\$9
Subtotal	28,879,296	670,428		\$18,638
Generation				
Mercury Vapor 100W	532,224	12,096	\$1.60	\$19,354
Mercury Vapor 175W	2,364,744	31,956	\$2.07	\$66,149
Mercury Vapor 250W	567,936	5,568	\$2.58	\$14,365
Mercury Vapor 400W	1,619,016	10,056	\$3.49	\$35,095
Mercury Vapor 1,000W	111,168	288	\$7.56	\$2,177
Sodium Vapor 70W	13,449,408	463,764	\$1.62	\$751,298
Sodium Vapor 100W	2,535,600	50,712	\$2.07	\$104,974
Sodium Vapor 150W	5,537,148	77,988	\$2.46	\$191,850
Sodium Vapor 250W	1,660,560	15,096	\$3.59	\$54,195
Sodium Vapor 400W	487,560	2,868	\$4.68	\$13,422
Sodium Vapor 1,000W	13,932	36	\$9.77	\$352
Subtotal	28,879,296	670,428		\$1,253,231
Subtotal Revenue				\$10,459,746
Rider 10 - State Tax Adjustment				(\$58,761)
Total Calculated Revenue				\$10,400,984

Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate SM - Street Lighting Municipal

PROPOSED RATES	kWh Usage	Units	Rate	Revenue
Rate SM				
<u>Distribution</u>				
Mercury Vapor 100W	535,392	12,168	\$12.52	\$152,380
Mercury Vapor 175W	2,370,960	32,040	\$12.78	\$409,419
Mercury Vapor 250W	605,880	5,940	\$13.03	\$77,420
Mercury Vapor 400W	1,711,752	10,632	\$13.54	\$144,005
Mercury Vapor 1,000W	111,168	288	\$15.59	\$4,489
Sodium Vapor 70W	14,045,520	484,320	\$12.94	\$6,265,408
Sodium Vapor 100W	2,946,000	58,920	\$13.04	\$768,487
Sodium Vapor 150W	5,754,408	81,048	\$13.22	\$1,071,472
Sodium Vapor 250W	1,844,040	16,764	\$13.57	\$227,569
Sodium Vapor 400W	487,560	2,868	\$14.11	\$40,458
Sodium Vapor 1,000W	18,576	48	\$16.23	\$779
Poles		0	\$10.26	\$0
Subtotal	30,431,256	705,036		\$9,161,887
<u>Transmission</u>				
Mercury Vapor 100W	532,224	12,096	\$0.00	\$0
Mercury Vapor 175W	2,364,744	31,956	\$0.00	\$0
Mercury Vapor 250W	567,936	5,568	\$0.00	\$0
Mercury Vapor 400W	1,619,016	10,056	\$0.00	\$0
Mercury Vapor 1,000W	111,168	288	\$0.00	\$0
Sodium Vapor 70W	13,449,408	463,764	\$0.00	\$0
Sodium Vapor 100W	2,535,600	50,712	\$0.00	\$0
Sodium Vapor 150W	5,537,148	77,988	\$0.00	\$0
Sodium Vapor 250W	1,660,560	15,096	\$0.00	\$0
Sodium Vapor 400W	487,560	2,868	\$0.00	\$0
Sodium Vapor 1,000W	13,932	36	\$0.00	\$0
Subtotal	28,879,296	670,428		\$0
<u>Generation</u>				
Mercury Vapor 100W	532,224	12,096	\$1.60	\$19,354
Mercury Vapor 175W	2,364,744	31,956	\$2.07	\$66,149
Mercury Vapor 250W	567,936	5,568	\$2.58	\$14,365
Mercury Vapor 400W	1,619,016	10,056	\$3.49	\$35,095
Mercury Vapor 1,000W	111,168	288	\$7.56	\$2,177
Sodium Vapor 70W	13,449,408	463,764	\$1.62	\$751,298
Sodium Vapor 100W	2,535,600	50,712	\$2.07	\$104,974
Sodium Vapor 150W	5,537,148	77,988	\$2.46	\$191,850
Sodium Vapor 250W	1,660,560	15,096	\$3.59	\$54,195
Sodium Vapor 400W	487,560	2,868	\$4.68	\$13,422
Sodium Vapor 1,000W	13,932	36	\$9.77	\$352
Subtotal	28,879,296	670,428		\$1,253,231
Subtotal Revenue				\$10,415,118
Rider 10 - State Tax Adjustment			0.0000%	\$0
Total Calculated Revenue				\$10,415,118

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$9,129,115	\$18,638	\$1,253,231	\$10,400,984
Proposed Rates	\$9,161,887	\$0	\$1,253,231	\$10,415,118
Revenue Change	\$32,771	(\$18,638)	\$0	\$14,134

APPENDIX A
Duquesne Light Company
Proof of Revenue Calculation at Current and Proposed Settlement Rates
12 Months Ending December 31, 2006
Rate SH - Street Lighting Highway

CURRENT RATES	kWh Usage	Annual Units	Rate	Revenue
Rate SH (1)				
Distribution				
Sodium Vapor 100W	13,800	276	\$5.15	\$1,421
Sodium Vapor 150W	34,932	492	\$6.33	\$3,114
Sodium Vapor 200W	699,960	7,368	\$7.52	\$55,407
Sodium Vapor 250W	0	0	\$8.68	\$0
Sodium Vapor 400W	169,320	996	\$12.21	\$12,161
Sodium Vapor 1,000W	0	0	\$27.38	\$0
Subtotal	918,012	9,132		\$72,104
Transmission				
Sodium Vapor 100W	13,800	276	\$0.03	\$8
Sodium Vapor 150W	34,932	492	\$0.04	\$20
Sodium Vapor 200W	699,960	7,368	\$0.05	\$368
Sodium Vapor 250W	0	0	\$0.07	\$0
Sodium Vapor 400W	169,320	996	\$0.10	\$100
Sodium Vapor 1,000W	0	0	\$0.24	\$0
Subtotal	918,012	9,132		\$496
Generation				
Sodium Vapor 100W	13,800	276	\$5.72	\$1,579
Sodium Vapor 150W	34,932	492	\$7.02	\$3,454
Sodium Vapor 200W	699,960	7,368	\$8.35	\$61,523
Sodium Vapor 250W	0	0	\$9.63	\$0
Sodium Vapor 400W	169,320	996	\$13.54	\$13,486
Sodium Vapor 1,000W	0	0	\$30.36	\$0
Subtotal	918,012	9,132		\$80,041
Subtotal Revenue				\$152,641
Rider 10 - State Tax Adjustment				(\$863)
Total Calculated Revenue				\$151,779

PROPOSED RATES	kWh Usage	Units	Rate	Revenue
Rate SH (1)				
Distribution				
Sodium Vapor 100W	13,800	276	\$13.04	\$3,600
Sodium Vapor 150W	34,932	492	\$13.22	\$6,504
Sodium Vapor 200W	699,960	7,368	\$13.40	\$98,713
Sodium Vapor 250W	0	0	\$13.57	\$0
Sodium Vapor 400W	169,320	996	\$14.11	\$14,050
Sodium Vapor 1,000W	0	0	\$16.23	\$0
Subtotal	918,012	9,132		\$122,868
Transmission				
Sodium Vapor 100W	13,800	276	\$0.00	\$0
Sodium Vapor 150W	34,932	492	\$0.00	\$0
Sodium Vapor 200W	699,960	7,368	\$0.00	\$0
Sodium Vapor 250W	0	0	\$0.00	\$0
Sodium Vapor 400W	169,320	996	\$0.00	\$0
Sodium Vapor 1,000W	0	0	\$0.00	\$0
Subtotal	918,012	9,132		\$0
Generation				
Sodium Vapor 100W	13,800	276	\$5.72	\$1,579
Sodium Vapor 150W	34,932	492	\$7.02	\$3,454
Sodium Vapor 200W	699,960	7,368	\$8.35	\$61,523
Sodium Vapor 250W	0	0	\$9.63	\$0
Sodium Vapor 400W	169,320	996	\$13.54	\$13,486
Sodium Vapor 1,000W	0	0	\$30.36	\$0
Subtotal	918,012	9,132		\$80,041
Subtotal Revenue				\$202,909
Rider 10 - State Tax Adjustment			0.0000%	\$0
Total Calculated Revenue				\$202,909

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$71,242	\$496	\$80,041	\$151,779
Proposed Rates	\$122,868	\$0	\$80,041	\$202,909
Revenue Change	\$51,626	(\$496)	\$0	\$51,130

1/ There are no mercury vapor lamps in service. Current rates are not shown and proposed rates were not developed.

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate UMS - Unmetered Service

CURRENT RATES	Units	Rate	Revenue
Rate UMS			
<u>Distribution</u>			
Total Bills	20,969	\$9.05	\$189,769
First 1,300 KWH	10,290,422	\$0.038768	\$398,939
Additional KWH	850,435	\$0.009634	\$8,193
Subtotal	11,140,857		\$596,902
Transmission - All kWh	9,643,621	\$0.001875	\$18,082
<u>Generation</u>			
First 1,300 KWH	8,891,989	\$0.072530	\$644,936
Additional KWH	751,632	\$0.016954	\$12,743
Subtotal	9,643,621		\$657,679
Subtotal Revenue			\$1,272,663
Rider 10 - State Tax Adjustment			(\$7,210)
Total Calculated Revenue			\$1,265,453

PROPOSED RATES	Units	Rate	Revenue
Rate UMS			
<u>Distribution</u>			
Total Bills	20,969	\$10.00	\$209,690
First 1,300 KWH	10,290,422	\$0.025602	\$263,457
Additional KWH	850,435	\$0.025602	\$21,773
Subtotal	11,140,857		\$494,920
Transmission - All kWh	9,643,621	\$0.00	\$0
Transmission at 1CP Rate-\$/kW	1,203	\$1.557400	\$22,478
<u>Generation</u>			
First 1,300 KWH	8,891,989	\$0.072530	\$644,936
Additional KWH	751,632	\$0.016954	\$12,743
Subtotal	9,643,621		\$657,679
Subtotal Revenue			\$1,175,078
Rider 10 - State Tax Adjustment		0.0000%	\$0
Total Calculated Revenue			\$1,175,078

Revenue Summary	Distribution	Transmission	Generation	Total
Current Rates	\$589,692	\$18,082	\$657,679	\$1,265,453
Proposed Rates	\$494,920	\$22,478	\$657,679	\$1,175,078
Revenue Change	(\$94,771)	\$4,397	\$0	(\$90,375)

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate PAL - Private Area Lighting

CURRENT RATES	kWh Usage	Annual Units	Rate	Revenue
Rate PAL				
<u>Distribution</u>				
High Pressure Sodium 70W	9,048	312	\$11.28	\$3,519
High Pressure Sodium 100W	31,200	624	\$14.40	\$8,986
High Pressure Sodium 150W	48,564	684	\$17.06	\$11,669
High Pressure Sodium 250W	63,360	576	\$24.94	\$14,365
High Pressure Sodium 400W	108,120	636	\$32.54	\$20,695
Flood Lighting 100W	31,464	684	\$13.01	\$8,899
Flood Lighting 150W	0	0	\$15.10	\$0
Flood Lighting 250W	134,400	1,344	\$18.15	\$24,394
Flood Lighting 400W	429,660	2,772	\$23.28	\$64,532
Unmetered 70W	3,132	108	\$1.54	\$166
Unmetered 100W	1,104	24	\$2.45	\$59
Unmetered 150W	21,708	324	\$3.57	\$1,157
Unmetered 250W	85,200	852	\$5.32	\$4,533
Unmetered 400W	0	0	\$8.25	\$0
<u>Poles</u>		688	\$15.84	\$10,892
Subtotal	966,960	8,940		\$173,866
<u>Transmission</u>				
High Pressure Sodium 70W	8,700	300	\$0.02	\$6
High Pressure Sodium 100W	31,200	624	\$0.03	\$19
High Pressure Sodium 150W	48,564	684	\$0.04	\$27
High Pressure Sodium 250W	58,080	528	\$0.07	\$37
High Pressure Sodium 400W	108,120	636	\$0.10	\$64
Flood Lighting 100W	31,464	684	\$0.03	\$21
Flood Lighting 150W	0	0	\$0.04	\$0
Flood Lighting 250W	132,000	1,320	\$0.06	\$79
Flood Lighting 400W	429,660	2,772	\$0.09	\$249
Unmetered 70W	3,132	108	\$0.02	\$2
Unmetered 100W	1,104	24	\$0.03	\$1
Unmetered 150W	9,648	144	\$0.04	\$6
Unmetered 250W	85,200	852	\$0.06	\$51
Unmetered 400W	0	0	\$0.09	\$0
Subtotal	946,872	8,676		\$562
<u>Generation</u>				
High Pressure Sodium 70W	8,700	300	\$1.62	\$486
High Pressure Sodium 100W	31,200	624	\$2.07	\$1,292
High Pressure Sodium 150W	48,564	684	\$2.45	\$1,676
High Pressure Sodium 250W	58,080	528	\$3.58	\$1,890
High Pressure Sodium 400W	108,120	636	\$4.67	\$2,970
Flood Lighting 100W	31,464	684	\$1.86	\$1,272
Flood Lighting 150W	0	0	\$2.17	\$0
Flood Lighting 250W	132,000	1,320	\$2.61	\$3,445
Flood Lighting 400W	429,660	2,772	\$3.34	\$9,258
Unmetered 70W	3,132	108	\$1.27	\$137
Unmetered 100W	1,104	24	\$2.02	\$48
Unmetered 150W	9,648	144	\$2.93	\$422
Unmetered 250W	85,200	852	\$4.37	\$3,723
Unmetered 400W	0	0	\$6.78	\$0
Subtotal	946,872	8,676		\$26,621
Subtotal Revenue				\$201,048
Rider 10 - State Tax Adjustment				(\$1,073)
Total Calculated Revenue				\$199,975

APPENDIX A
 Duquesne Light Company
 Proof of Revenue Calculation at Current and Proposed Settlement Rates
 12 Months Ending December 31, 2006
 Rate PAL - Private Area Lighting

PROPOSED RATES	kWh Usage	Units	Rate	Revenue
Rate PAL				
<u>Distribution</u>				
High Pressure Sodium 70W	9,048	312	\$12.94	\$4,036
High Pressure Sodium 100W	31,200	624	\$13.04	\$8,139
High Pressure Sodium 150W	48,564	684	\$13.22	\$9,043
High Pressure Sodium 250W	63,360	576	\$13.57	\$7,819
High Pressure Sodium 400W	108,120	636	\$14.11	\$8,972
Flood Lighting 100W	31,464	684	\$14.35	\$9,813
Flood Lighting 150W	0	0	\$14.54	\$0
Flood Lighting 250W	134,400	1,344	\$14.93	\$20,069
Flood Lighting 400W	429,660	2,772	\$15.52	\$43,014
Unmetered 70W	3,132	108	\$3.17	\$342
Unmetered 100W	1,104	24	\$3.17	\$76
Unmetered 150W	21,708	324	\$3.17	\$1,026
Unmetered 250W	85,200	852	\$3.17	\$2,699
Unmetered 400W	0	0	\$3.17	\$0
<u>Poles</u>		688	\$10.26	\$7,055
Subtotal	966,960	8,940		\$122,104
<u>Transmission</u>				
High Pressure Sodium 70W	8,700	300	\$0.00	\$0
High Pressure Sodium 100W	31,200	624	\$0.00	\$0
High Pressure Sodium 150W	48,564	684	\$0.00	\$0
High Pressure Sodium 250W	58,080	528	\$0.00	\$0
High Pressure Sodium 400W	108,120	636	\$0.00	\$0
Flood Lighting 100W	31,464	684	\$0.00	\$0
Flood Lighting 150W	0	0	\$0.00	\$0
Flood Lighting 250W	132,000	1,320	\$0.00	\$0
Flood Lighting 400W	429,660	2,772	\$0.00	\$0
Unmetered 70W	3,132	108	\$0.00	\$0
Unmetered 100W	1,104	24	\$0.00	\$0
Unmetered 150W	9,648	144	\$0.00	\$0
Unmetered 250W	85,200	852	\$0.00	\$0
Unmetered 400W	0	0	\$0.00	\$0
Subtotal	946,872	8,676		\$0
<u>Generation</u>				
High Pressure Sodium 70W	8,700	300	\$1.62	\$486
High Pressure Sodium 100W	31,200	624	\$2.07	\$1,292
High Pressure Sodium 150W	48,564	684	\$2.45	\$1,676
High Pressure Sodium 250W	58,080	528	\$3.58	\$1,890
High Pressure Sodium 400W	108,120	636	\$4.67	\$2,970
Flood Lighting 100W	31,464	684	\$1.86	\$1,272
Flood Lighting 150W	0	0	\$2.17	\$0
Flood Lighting 250W	132,000	1,320	\$2.61	\$3,445
Flood Lighting 400W	429,660	2,772	\$3.34	\$9,258
Unmetered 70W	3,132	108	\$1.27	\$137
Unmetered 100W	1,104	24	\$2.02	\$48
Unmetered 150W	9,648	144	\$2.93	\$422
Unmetered 250W	85,200	852	\$4.37	\$3,723
Unmetered 400W	0	0	\$6.78	\$0
Subtotal	946,872	8,676		\$26,621
Subtotal Revenue				\$148,724
Rider 10 - State Tax Adjustment			0.0000%	\$0
Total Calculated Revenue				\$148,724
<hr/>				
<u>Revenue Summary</u>	<u>Distribution</u>	<u>Transmission</u>	<u>Generation</u>	<u>Total</u>
Current Rates	\$172,793	\$562	\$26,621	\$199,975
Proposed Rates	\$122,104	\$0	\$26,621	\$148,724
Revenue Change	(\$50,689)	(\$562)	\$0	(\$51,250)

APPENDIX B

Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Calculation of Retail Rates Effective January 6, 2007

Revenue Requirement (1) \$30,767,631
 1CP - MW 3,048.2

<u>Rate Class</u>	<u>Class Sales kWh (2)</u>	<u>Demand kW (2)</u>	<u>Class 1CP kW (3)</u>	<u>Allocated Revenue Requirement (4)</u>	<u>"e" Factor (5)</u>	<u>Adjusted Revenue Requirement</u>	<u>Energy Rate \$/kWh (6)</u>	<u>Demand Rate \$/kW/mo. (6)</u>
RS	3,618,416,532	0	1,157,484	\$11,683,299	\$0	\$11,683,299	\$0.003431	n/a
RH	331,685,137	0	46,635	\$470,716	\$0	\$470,716	\$0.001508	n/a
RA	41,781,659	0	13,154	\$132,773	\$0	\$132,773	\$0.003377	n/a
GS	40,852,789	0	6,978	\$70,436	\$0	\$70,436	\$0.001832	n/a
GM	3,068,824,895	10,172,837	751,237	\$7,582,763	\$0	\$7,582,763	\$0.001313	\$0.40
GMH	294,720,027	304,809	53,127	\$536,245	\$0	\$536,245	\$0.000967	\$0.93
GL	3,338,997,219	0	548,572	\$5,537,125	\$0	\$5,537,125	n/a	\$0.89
GLH	556,868,565	0	94,206	\$950,886	\$0	\$950,886	n/a	\$0.89
L	1,277,219,397	0	203,225	\$2,051,296	\$0	\$2,051,296	n/a	\$0.89
HVPS	1,333,896,000	0	172,217	\$1,738,309	\$0	\$1,738,309	n/a	\$0.89
AL	102,570	0	0	\$0	\$0	\$0	n/a	n/a
SE	28,332,192	0	0	\$0	\$0	\$0	n/a	n/a
SM	30,431,256	0	0	\$0	\$0	\$0	n/a	n/a
SH	918,012	0	0	\$0	\$0	\$0	n/a	n/a
UMS	11,140,857	0	1,366	\$13,784	\$0	\$13,784	n/a	\$0.89
PAL	966,960	0	0	\$0	\$0	\$0	n/a	n/a
TOTAL	13,975,154,066	10,477,646	3,048,201	\$30,767,631	\$0	\$30,767,631		

1/ Revenue requirement as defined in current PJM Open Access Transmission Tariff (OATT) Attachment H-17.

2/ Forecast 2006 sales and billing demand assuming 100% POLR load.

3/ Rate class 2007 1CP as of December 10, 2006.

4/ Revenue requirement allocated to each rate class based on class share of total 1CP.

5/ E-factor defined in retail tariff Appendix A and set a \$0 for retail rates effective January 6, 2007.

6/ Derivation of rate includes adjustment for PA gross receipts tax of 5.9%.

APPENDIX B

Duquesne Light Company
Transmission Service Charges (TSC) - Tariff Appendix A
Proof of Revenue Calculation - Rates Effective January 6, 2007

Tariff Rates			Billing Units		
Rate Class	Energy Charge Cents/kWh	Demand Charge \$/kW	Sales kWh	Demand kW (1)	Revenue
RS	0.3431	\$0.00	3,618,416,532	0	\$12,415,833
RH	0.1508	\$0.00	331,685,137	0	\$500,229
RA	0.3377	\$0.00	41,781,659	0	\$141,098
GS	0.1832	\$0.00	40,852,789	0	\$74,852
GM	0.1313	\$0.40	3,068,824,895	10,172,837	\$8,058,196
GMH	0.0967	\$0.93	294,720,027	304,809	\$569,867
GL	0.0000	\$0.89	3,338,997,219	6,582,867	\$5,884,299
GLH	0.0000	\$0.89	556,868,565	1,130,471	\$1,010,506
L	0.0000	\$0.89	1,277,219,397	2,438,704	\$2,179,911
HVPS	0.0000	\$0.89	1,333,896,000	2,066,606	\$1,847,299
AL	0.0000	\$0.00	102,570	0	\$0
SE	0.0000	\$0.00	28,332,192	0	\$0
SM	0.0000	\$0.00	30,431,256	0	\$0
SH	0.0000	\$0.00	918,012	0	\$0
UMS	0.0000	\$0.89	11,140,857	16,387	\$14,648
PAL	0.0000	\$0.00	966,960	0	\$0
Total			13,975,154,066		\$32,696,739
				Less PA Gross Receipts Tax	\$1,929,108
				Net Revenue	<u>\$30,767,631</u>
				PJM OATT Revenue Requirement (Attachment H-17)	\$30,767,631
				Difference	\$0

1/ Demand charge applicable to monthly billed demand for rate schedules GM and GMH.
Demand charge applicable to customers' single coincident peak (1CP) for
rate schedules GL, GLH, L and HVPS.

R-00061346

SUPPLEMENT NO. 2
TO ELECTRIC - PA. P.U.C. NO. 24

Superseding

ELECTRIC - PA. P.U.C. NO. 23
and Supplements thereto

ORIGINAL

**DOCUMENT
FOLDER**

DOCKETED
JAN - 9 2007



Duquesne Light

SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY
411 Seventh Avenue
Pittsburgh, PA 15219

Morgan K. O'Brien
President and Chief Executive Officer

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ISSUED: December 22, 2006

EFFECTIVE: January 6, 2007

NOTICE

**THIS TARIFF INCREASES, DECREASES AND CHANGES EXISTING RATES AND RIDERS
AND REMOVES A RIDER**

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rate RS – Residential Service	First Revised Page No. 32
Rate RH – Residential Service Heating	First Revised Pages No. 34 and 35
Rate RA – Residential Service Add-On Heat Pump	First Revised Pages No. 37 and 38
Rate GS/GM – General Service Small and Medium	First Revised Pages No. 40 and 41
Rate GMH – General Service Medium Heating	First Revised Pages No. 43 and 44
Rate GL – General Service Large	First Revised Page No. 47
Rate GLH – General Service Large Heating	First Revised Pages No. 50 and 51
Rate L – Large Power Service	First Revised Page No. 53
Rate HVPS – High Voltage Power Service	First Revised Pages No. 57 and 58
Rate AL – Architectural Lighting Service	First Revised Page No. 61
Rate SE – Street Lighting Energy	First Revised Page No. 64
Rate SM – Street Lighting Municipal	First Revised Pages No. 68 and 69
Rate SH – Street Lighting Highway	First Revised Page No. 71
Rate UMS – Unmetered Service	First Revised Page No. 74
Rate PAL – Private Area Lighting	First Revised Pages No. 76 and 77
Rider No. 13 – General Service Separately Metered Electric Space/ Heating Service	First Revised Page No. 97
Rider No. 14 – Residential Service Separately Metered Electric Space and Water Heating	First Revised Page No. 98
Appendix A – Transmission Service Charges	First Revised Pages No. 113-115

All charges for transmission services provided to customers have been removed from the individual rate schedules and consolidated into Appendix A – Transmission Service Charges. Language has been inserted into each rate schedule describing the provision of transmission services under the PJM OATT and referencing Appendix A. The tariff pages listed above have been modified/added to reflect these changes.

Rule No. 4 – Contracts	First Revised Page No. 9 Cancelling Original Page No. 9
	Original Page No. 9A

Language providing for the negotiation of special contracts between the Company and customers has been modified to apply to distribution service and charges only, for contracts effective on and after January 1, 2007.

Rule No. 21.3 – Returned Check or Access Denied Charge	First Revised Page No. 24
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Application of the \$20.00 charge levied on a customer for a returned check is extended to include denied access for an authorized electronic payment of a customer's account.

Rate GS/GM – General Service Small and Medium	First Revised Page No. 40
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Rates have been added for customers taking non-demand metered service under this rate schedule.

Rate GL – General Service Large	First Revised Page No. 48
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Determination of Demand has been modified to refer specifically to Distribution.

LIST OF MODIFICATIONS MADE BY THIS TARIFF – (Continued)**CHANGES – (Continued)****Rate GLH – General Service Large Heating****First Revised Pages No. 50 and 51**

Language has been modified to reflect that during the non-heating months, Rate GL shall apply to service rendered to Rate GLH customers.

Rate SE – Street Lighting Energy**First Revised Page No. 66**

Charges for Special Facilities have been removed from the tariff since the facilities no longer exist.

Rate SH – Street Lighting Highway**First Revised Page No. 71**

Rates for all Mercury Vapor lamps and 250 watt and 1,000 watt Sodium Vapor lamps have been removed, as those facilities are no longer utilized by customers on Rate SH.

Rate UMS – Unmetered Service**First Revised Pages No. 74 and 75**

Former Rate MTS – Municipal Traffic Signals has been renamed as Rate UMS – Unmetered Service and its availability extended to include other customers with similar service requirements.

Rate L – Large Power Service**First Revised Page No. 54**

Determination of Demand has been modified to refer specifically to Distribution.

Rate HVPS – High Voltage Power Service**First Revised Pages No. 57 and 58**

Distribution charges for kWh usage have been eliminated.
Determination of Demand has been modified to refer specifically to Distribution.

Rider No. 10 – State Tax Adjustment Surcharge**First Revised Page No. 94**

The State Tax Adjustment Surcharge has been modified to reflect a two-part application, the first to only the distribution components of customer bills and the second to all components of customer bills. The rates contained herein reflect the annual recalculation, effective January 1, 2007.

Rider No. 16 – Service to Non-Utility Generating Facilities**First Revised Pages No. 101 and 102**

The language in Rider No. 16 has been modified to reflect the availability of only one type of back-up service from the Company.

Rider No. 19 – Off-Peak Water Heating Service**First Revised Page No. 106**

Provisions for annual modification of the rate contained in this rider have been changed.

Rider No. 21 – Universal Service Charge**First Revised Page No. 111**

This rider has been eliminated from the tariff.

LIST OF MODIFICATIONS MADE BY THIS TARIFF – (Continued)

CHANGES – (Continued)

Rule No. 3.1 – Definitions	First Revised Page No. 8
Rule No. 20.1 – Billing Options	First Revised Page No. 23
Rule No. 21.2 – Partial Payment of Bills	First Revised Page No. 24
Rate L – Large Power Service	First Revised Page No. 55
Rate SM – Street Lighting Municipal	First Revised Page No. 69
Rider No. 18 – Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities	First Revised Page No. 105
Rider No. 19 – Off-Peak Water Heating Service	First Revised Page No. 107

Minor changes to eliminate outdated language or provisions related to the now-completed transition to full direct access have been eliminated from the tariff pages listed above.

Cancelling Original Page(s)

INCREASES

Rate RS – Residential Service	First Revised Page No. 32
Customer charge and unit prices have been changed resulting in increases.	
Rate RH – Residential Service Heating	First Revised Page No. 34
Customer charge and unit prices have been changed resulting in increases.	
Rate RA – Residential Service Add-On Heat Pump	First Revised Page No. 37
Customer charge and unit prices have been changed resulting in increases.	
Rate GS/GM – General Service Small and Medium	First Revised Pages No. 40 and 41
Customer charge, unit prices and maximum average charge have been changed resulting in increases.	
Rate GMH – General Service Medium Heating	First Revised Pages No. 43-45
Customer charge, unit prices, maximum average charge and minimum charge have been changed resulting in increases.	
Rate GL – General Service Large	First Revised Page No. 47
Fixed and unit prices have been changed resulting in increases.	
Rate GLH – General Service Large Heating	First Revised Pages No. 50 and 51
Customer charge, unit prices and minimum charge have been changed resulting in increases.	
Rate L – Large Power Service	First Revised Page No. 53
Fixed and unit prices have been changed resulting in increases.	

LIST OF MODIFICATIONS MADE BY THIS TARIFF – (Continued)

INCREASES – (Continued)

Rate HVPS – High Voltage Power Service	First Revised Page No. 57
Fixed and unit prices have been changed resulting in increases.	
Rate AL – Architectural Lighting Service	First Revised Page No. 61
<i>Unit prices have been changed resulting in increases.</i>	
Rate SE – Street Lighting Energy	First Revised Page No. 64
Rate structure for distribution charges has been changed and charges have increased.	
Rate SM – Street Lighting Municipal	First Revised Pages No. 68 and 69
Unit prices have been changed resulting in increases. Pole charges have been increased.	
Rate SH – Street Lighting Highway	First Revised Page No. 71
Unit prices have been changed resulting in increases.	
Rate UMS – Unmetered Service	First Revised Page No. 74
Customer charge and tail-block unit prices have been changed resulting in increases.	
Rate PAL – Private Area Lighting	First Revised Pages No. 76 and 78
Unit prices have been changed resulting in increases. Pole charges have been increased.	
Rider No. 5 – Time of Day Discounts	First Revised Page No. 85
Meter charges have been changed, resulting in increases for some customers.	
Rider No. 13 – General Service Separately Metered Electric Space Heating Service	First Revised Page No. 97
Unit prices have been changed resulting in increases. Meter charge has been increased.	
Rider No. 14 – Residential Service Separately Metered Electric Space and Water Heating	First Revised Page No. 98
Unit prices have been changed resulting in increases. Meter charge has been increased.	
Rider No. 16 – Service to Non-Utility Generating Facilities	First Revised Page No. 102
Fixed and unit prices have been changed resulting in increases.	

LIST OF MODIFICATIONS MADE BY THIS TARIFF – (Continued)

INCREASES – (Continued)

Rider No. 19 – Off-Peak Water Heating Service **First Revised Page No. 106**

Unit prices have been changed resulting in increases.

Rider No. 22 - Renewable Energy Service **First Revised Page No. 112**

Meter charges have been increased.

Appendix A – Transmission Service Charges **First Revised Page No. 113**

Unit Prices have been changed, resulting in increases. **Cancelling Original Page(s)**

DECREASES

Rate GL – General Service Large **First Revised Page No. 47**

Unit prices have been changed resulting in decreases.

Rate L – Large Power Service **First Revised Pages No. 53 and 54**

Unit prices have been changed resulting in decreases. The untransformed service credit has been increased.

Rate AL – Architectural Lighting Service **First Revised Page No. 61**

Customer charge and unit prices have been changed resulting in decreases.

Rate SM – Street Lighting Municipal **First Revised Page No. 68**

Unit prices have been changed resulting in decreases.

Rate UMS – Unmetered Service **First Revised Page No. 74**

Unit prices have been changed resulting in decreases.

Rate PAL – Private Area Lighting **First Revised Page No. 76**

Unit prices have been changed resulting in decreases.

Rider No. 5 – Time of Day Discounts **First Revised Page No. 85**

Meter charges have been changed, resulting in decreases for some customers.

Appendix A – Transmission Service Charges **First Revised Page No. 113**

Unit prices have been changed, resulting in decreases. **Cancelling Original Page(s)**

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(C)
 (C)
 (C)

(C) – Indicates Change

LIST OF COMMUNITIES SERVED

The Company renders service in portions of Allegheny and Beaver Counties, Pennsylvania. Electric service is available in all localities where the Company has distribution facilities, including all or a portion of the following cities, boroughs and townships.

ALLEGHENY COUNTY**Cities and Boroughs**

Aspinwall	Dormont	Jefferson	Roslyn Farms
Avalon	Dravosburg	Leetsdale	Sewickley
Baldwin	Duquesne	Liberty	Sewickley Heights
Bell Acres	East McKeesport	Lincoln	Sewickley Hills
Bellevue	East Pittsburgh	McKeesport	Sharpsburg
Ben Avon	Edgewood	McKees Rocks	Swissvale
Ben Avon Heights	Edgeworth	Millvale	Thornburg
Bethel Park	Emsworth	Monroeville	Trafford
Blawnox	Etna	Mt. Oliver	Turtle Creek
Braddock	Forest Hills	Munhall	Verona
Braddock Hills	Fox Chapel	North Braddock	Versailles
Brentwood	Franklin Park	Oakmont	Wall
Carnegie	Glassport	Osborne	West Homestead
Castle Shannon	Glenfield	Pennsbury Village	West Mifflin
Chalfant	Green Tree	Pittsburgh	West View
Churchill	Haysville	Pleasant Hills	Whitaker
Clairton	Heidleberg	Plum	Whitehall
Coraopolis	Homestead	Port Vue	White Oak
Crafton	Ingram	Rankin	Wilkesburg
			Wilmerding

Townships

Aleppo	Kilbuck	Ohio	Shaler
Baldwin	Leet	Penn Hills	Stowe
Collier	McCandless	Pine	Upper St. Clair
Crescent	Moon	Reserve	West Deer
Findlay	Mt. Lebanon	Richland	Wilkins
Hampton	Neville	Robinson	
Indiana	North Versailles	Ross	
Kennedy	O'Hara	Scott	

LIST OF COMMUNITIES SERVED - (Continued)

BEAVER COUNTY

Cities and Boroughs

Aliquippa	East Rochester	Glasgow	Patterson Heights
Ambridge	Eastvale	Hookstown	Rochester
Baden	Economy	Industry	Shippingport
Beaver	Fallston	Midland	South Heights
Beaver Falls	Frankfort Springs	Monaca	West Mayfield
Bridgewater	Freedom	New Brighton	
Conway	Georgetown	Ohioville	

Townships

Brighton	Hanover	New Sewickley	Raccoon
Center	Harmony	Patterson	Rochester
Daugherty	Hopewell	Potter	Vanport
Greene	Independence	Pulaski	White

RULES AND REGULATIONS

THE ELECTRIC SERVICE TARIFF

1. **FILING AND POSTING** A copy of the tariff, comprising the Rules and Regulations, Rates and Riders, and governing electric service, is filed with the Pennsylvania Public Utility Commission and is posted and open to inspection at the offices of the Company where payments are made by customers.
2. **REVISIONS** The tariff is subject to such change and modification as may be made from time to time in the manner prescribed by the Public Utility Law. If any rate for electric service is increased, the affected customer shall have the option of discontinuing service, but shall be obligated to pay the increased rate from the effective date thereof until service has been discontinued.
3. **APPLICATION** Rates of the tariff apply only to the Company's Standard Service delivered from overhead supply lines except in certain restricted areas where the Company is required to provide underground distribution. Riders of the tariff amend or modify the terms governing the electric service under the rates to which they apply. Standard Service is alternating current of sixty cycles frequency, conforming as to voltage and phase with the following list of standard nominal service delivery voltages.

SINGLE-PHASE

120 volts, 2 wire
120/240 volts, 3 wire
120/208 volts, 3 wire
230 volts, 2 wire
460 volts, 2 wire
230/460 volts, 3 wire
2,400 volts, 2 wire
23,000 volts, 2 wire

THREE-PHASE

120/208 volts, 4 wire	11,500 volts, 3 wire
230 volts, 3 wire	13,200/23,000 volts, 4 wire
277/480 volts, 4 wire	23,000 volts, 3 wire
460 volts, 3 wire	69,000 volts, 3 wire
2,400 volts, 3 wire	138,000 volts, 3 wire
2,400/4,160 volts, 4 wire	345,000 volts, 3 wire

The supply of generation may be provided by the Company or by an alternative EGS. Rates for generation shall apply per applicable tariffs of the Company or the EGS.

3.1 DEFINITIONS

- (1) **Aggregator or Market Aggregator** - An entity, licensed by the Commission, that purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers.
- (2) **Basic Services** - The services necessary for the physical delivery of electricity service including generation, transmission and distribution. Unless indicated otherwise, "electric service" or "service" used throughout this tariff shall have the same meaning.
- (3) **Broker or Marketer** - An entity, licensed by the Commission, that acts as an agent or intermediary in the sale and purchase of electric energy but does not take title to electric energy.
- (4) **Commission** - The Pennsylvania Public Utility Commission.
- (5) **Company** - Duquesne Light Company.

RULES AND REGULATIONS - (Continued)**THE ELECTRIC SERVICE TARIFF - (Continued)****DEFINITIONS - (Continued)**

- (6) **Customer** - A retail electric customer or potential customer of retail electricity service who are direct purchasers of electric power for use at their facility. Unless indicated otherwise, "retail customer" and "customer" used throughout this tariff shall have the same meaning. A residential customer is a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service, or any adult occupant whose name appears on the mortgage, deed or lease of the property of which the residential utility service is requested.
- (7) **Direct access** - The right of EGSs and retail customers to utilize and interconnect with the electric transmission and distribution system of the Company on a non-discriminatory basis at rates and terms and conditions of service comparable to the Companies' own use of the system to transport electricity from any generator of electricity to any retail customer.
- (8) **Distribution Charges** - Basic service charges for delivering electricity over a distribution system (e.g. wires, transformers, substations and other equipment) to the home or business from the transmission system. The distribution charge is regulated by the Commission. These charges include basic service under 52 Pa. Code §56.15 (4) (relating to billing information) and universal service, as applicable.
- (9) **Electric Distribution Company (EDC)** - Duquesne Light Company (the Company) owning and providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility.
- (10) **Electric Generation Suppliers (EGS)** - A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to January 1, 1997. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa. C.S. Ch. 74 (relating to generation choice for customers of electric cooperatives).
- (11) **Electricity Provider** - The term refers collectively to the EDC, EGS, electricity supplier, marketer, aggregator and/or broker, as well as any third party acting on behalf of these entities.
- (12) **Generation Charges** - Basic service charges for acquiring or producing electricity for supply to retail customers. This excludes charges for transmission or other charges related to electric service.

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

DEFINITIONS - (Continued)

- (13) **Non-Basic Services** - Optional recurring services which are distinctly separate and clearly not required for the physical delivery of electric service.
- (14) **Renewable Resource** - Includes technologies such as solar photovoltaic energy, solar thermal energy, wind power, low-head hydropower, geothermal energy, landfill or other biomass-based methane gas, mine-based methane gas, energy from waste and sustainable biomass energy.
- (15) **PJM** – PJM Interconnection, L.L.C.
- (16) **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.
- (17) **Provider of Last Resort** - The Company will provide electricity to the customer in the event that a customer: 1) elects not to obtain electricity from an EGS; 2) elects to have the Company supply electricity after having previously purchased electricity from an EGS; 3) contracts with an EGS who fails to supply electricity, or 4) or has been returned to POLR service by the EGS under circumstances as described in Rule No. 45.2 of this Tariff. (C)
- (18) **Transmission Charges** - Basic charges for the cost of transporting electricity over high voltage wires from the generator to the distribution system of the Company billed to customers that acquire their electricity from the Company. Customers who choose to acquire electricity from an EGS will be billed for transmission services by the EGS.

3.2 ELECTRIC GENERATION SUPPLIER TARIFF The rules and guidelines provided in the Company's "Electric Generation Supplier Coordination Tariff" (Supplier Tariff) shall apply to EGS's accessing the Company's transmission and distribution systems to supply electricity to retail customers. Those rules and guidelines pertaining to direct access procedures shall apply accordingly to customers who elect to purchase part or all of their electricity from an EGS. Copies of these rules may be obtained at the Company's offices.

4. CONTRACTS The Company reserves the right to require non-residential customers to sign a written contract indicating the rate for electric service and to require a contract term which, in the judgment of the Company, is sufficient to justify the cost of any facilities installed for the exclusive use of the customer. Customers who have facilities extended for their exclusive use will be permitted to purchase electricity from an EGS according to the provisions of direct access and 66 Pa.C.S. § 2807. Extension of such facilities will not be conditioned on the customer's agreement to purchase generation from the Company. Receipt of electric service by any entity, however, shall constitute the receiver a customer of the Company, subject to its rules and regulation, whether service is based upon contract, agreement, accepted signed application or otherwise. The customer shall notify the Company, in advance of receipt of electric service, of the customer's name, address to which the electricity is to be delivered, the address to which the bill is to be mailed, the date delivery of electricity is to commence, and provide information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel electric service

RULES AND REGULATIONS - (Continued)

THE ELECTRIC SERVICE TARIFF - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS

4. CONTRACTS – (Continued)

and the customer shall be responsible for payment for all electric charges until the customer has so notified the Company to cancel electric service.

The Company at its sole discretion may enter into special contracts for electric service with industrial or commercial customers having load of at least 100 kW to address changing business needs or operating conditions, for incremental sales of at least 100 kW from existing or new industrial customers, or to address less expensive competitive alternatives for energy to be used for applications other than space heating. If requested by the Company, the customer shall provide to the Company, on a confidential basis, all information, records and financial analysis necessary to evaluate the customer's request for a special contract.

Terms and conditions of service will be mutually agreed upon by the Company and the customer and included in a signed contract, which will be filed with the Public Utility Commission. The Company at its sole discretion may request Public utility Commission approval. The terms of the agreement will be confidential upon filing with the Commission. Rates established under special contracts will be sufficient to recover, at a minimum, all appropriate incremental costs. Any special contracts written to become effective on or after January 1, 2007, shall apply only to charges for the distribution service provided by the Company. (C)

The contract shall contain all terms and conditions and the rates and charges to be paid for electric service. The contract shall be for a period of no less than five years and no greater than ten years.

The contract will be terminated by the Company if the Company charges are not paid when due as specified in Tariff Rule No. 21, before the addition of the Late Payment Charge. Upon termination of the contract under these conditions, the regular electric tariff rates will be applied to electric service rendered from that point forward. A new special contract will not be made available to a customer whose previous special contract was terminated because of failure to pay bills as specified in Tariff Rule No. 21.

For special contracts effective prior to January 1, 2007, under direct access, customers may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; terminate the contract and obtain electricity from an EGS on the otherwise applicable tariff rates according to the eligibility under direct access; or, retain the Company's services under the unbundled rates of the contract and purchase electrical energy from an EGS. The customer's discount from the otherwise applicable tariff rates will be allocated to the generation components of the unbundled rates. The discount will be applied to the demand and energy components of the unbundled rate elements. (C)

Effective January 1, 2005, customers with special contracts will be required to pay the incremental costs for PJM capacity, ancillary services and administrative services, which will be the applicable PJM Surcharge identified in Rider No. 1. The Company will calculate the incremental PJM capacity and ancillary service charges as follows:

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)**THE ELECTRIC SERVICE TARIFF - (Continued)****CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS****4. CONTRACTS – (Continued)**

- o The Company will calculate the PJM capacity and ancillary service charges described in Rider No. 9 excluding Pennsylvania gross receipts taxes.
- o The Company will subtract the ancillary service charges for the applicable rate schedule embedded in the generation rates. The embedded charges are \$0.17/kW and \$0.000387/kWh for rate schedule GL.
- o This difference will be divided by (1 - Pennsylvania gross receipts tax rate) to determine the incremental PJM capacity and ancillary services charge.

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract. Upon expiration of their contract, special contract customers will default to Rider No. 9, Hourly Price Service or may affirmatively request to be placed on Rider No. 8, Fixed Price Service at the Subsequent Price Application Period rate then in effect.

(C)**(C) – Indicates Change**

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

RULES AND REGULATIONS - (Continued)**CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)**

5. DEPOSITS AND ADVANCE PAYMENTS The Company reserves the right to require a cash deposit from applicants taking service for a period of less than thirty days, in an amount equal to the estimated gross bill for Company charges for such temporary service. The gross bill for Company charges shall include all fixed, demand and energy charges for Company charges in accordance with the applicable tariff. Deposits may be required from all other applicants when creditworthiness has not been established or from existing customers when such customer's credit standing is impaired by delinquent payments of any two consecutive electric bills for Company charges excluding any unpaid EGS bills, if any, or three or more electric bills for Company charges within the preceding 12 months or as a condition to the reconnection of service or by failure to comply with a settlement or payment agreement.

The amount of the deposit will be based on Company charges in an amount that is equal to one-sixth of the applicant's estimated annual bill or one-sixth of the actual average annual bill for existing customers. The Company is not required to provide service if the full amount of the cash deposit is not paid. An applicant or existing customer may furnish a third party guarantor in lieu of a cash deposit, with the provision of a written guaranty setting forth the terms therein. The guarantor will be responsible for all missed payments of the applicant or customer.

The Company will pay interest on residential cash deposits at the rate six percent per annum without deduction for any taxes thereon commencing December 14, 2004. For all other cash deposits, the Company will pay interest at the lower of the average of 1-year Treasury Bills for September, October and November of the previous year beginning May 1, 1995 and January 1, 1996 and each year thereafter, or six percent per annum without deduction for any taxes thereon, provided that interest accrued prior to April 14, 1995 shall be calculated at 6%. On deposits held for more than one year, accrued interest will be paid at the end of each anniversary year. Upon the return of a deposit, any unpaid interest accrued thereon will be paid.

Deposits secured from a residential applicant or customer shall be returned to the depositor when a timely payment history has been established, or after a maximum of 24 months. A timely payment history is established when a customer has paid undisputed bills in full and on time for 12 consecutive months. Should a customer become delinquent prior to establishing a timely payment history, the Company may deduct the outstanding balance from the deposit. Deposits secured from other than residential customers shall be returned to the depositor upon annual review provided such depositor shall have paid undisputed bills during those consecutive 12 months without having service terminated and without having paid the bill subsequent to the due date so long as the customer is not currently delinquent. Payment of any disputed bill, where the payment is withheld beyond the due date set forth on the face of the bill at issue and the dispute over which is terminated substantially in favor of the customer, shall be made by the customer within 15 days following the termination of that dispute in order to be deemed timely. Where service is discontinued, the deposit and unpaid interest accrued thereon to the date of discontinuance of service, less the amount of all bills due the Company, will promptly be paid to the customer.

The Company reserves the right to require payment in advance for seasonal service, when the applicants elect to take such service, in an amount equal to the estimated gross Company charges for such seasonal service as determined by the provisions of the rate under which this service is taken.

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE**

6. INSTALLATION RULES Service installations shall be made in accordance with the Company's "Electric Service Installation Rules," copies of which may be obtained at the Company's offices.

7. SUPPLY LINE EXTENSIONS**A. Definitions**

For the purposes of this rule, the following definitions are applicable:

- (1) **Contractor cost** - The amount paid to a contractor for work performed on a line extension.
- (2) **Direct labor cost** - The pay and expenses of public utility employees directly attributable to work performed on line extensions, but does not include construction overheads or payroll taxes, workers' compensation expenses, or similar expenses.
- (3) **Direct material cost** - The purchase price of materials used for a line extension, but does not include the related stores expenses. In computing direct material costs, proper allowance should be made for unused materials recovered from temporary structures, and discounts allowed and realized in the purchase of materials.
- (4) **Total construction cost** - The contractor cost, direct labor cost, direct material cost, stores expense, construction overheads, payroll taxes, workers' compensation expenses, or similar expenses.
- (5) **Current Year** - For purposes of calculating a revenue guarantee, current year shall be each consecutive period of 12 calendar months following the date permanent electric delivery service was first provided to a customer.
- (6) **Income Tax** - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Overhead Areas

- (1) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all single-phase overhead supply lines operating at 23,000 volts or less to the customer's property line without a guarantee of revenue.

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****7. SUPPLY LINE EXTENSIONS - (Continued)****B. Overhead Areas - (Continued)**

- (2) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all three-phase overhead supply lines, operating at 23,000 volts or less, which are usable as a part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase overhead line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.
- (3) When the customer has a severe fluctuating or unbalanced load, or requests an alternate routing or a deviation from the Company's standard overhead construction practices, the additional cost incurred plus the related income tax will be borne by the customer and will not be included when determining the revenue guarantee amount.

C. Underground Areas

- (1) In areas where the existing supply lines are underground outside the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all single-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the single-phase supply line extension is to supply electricity exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer, over a period of five years which is sufficient to recover the actual total contractor cost, direct labor cost and direct material cost for the full length of the single-phase underground line extension, less the estimated total contractor cost, direct labor cost, and direct material cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****7. SUPPLY LINE EXTENSIONS - (Continued)****C. Underground Areas - (Continued)**

aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.

- (2) In areas where the existing supply lines are underground outside of the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all three-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years which is sufficient to recover the actual total construction cost of the three-phase underground line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. In the event that a revenue guarantee is not sufficient to recover the estimated total cost of the construction, or if the Company determines that the extension is speculative, or the customer represents a credit risk, the Company may require an up-front contribution in aid of construction (CIAC) from the customer to recover the total cost of construction. A customer may choose the option to make a CIAC rather than utilize a revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of a CIAC when appropriate. Any additional CIAC payment required will include the related income tax.
- (3) When the customer has a severe fluctuating or unbalanced load, or requests an alternate routing or a deviation from the Company's standard underground construction practices, the additional cost plus the related income tax will be borne by the customer and will not be included when determining the revenue guarantee amount.

D. Rights-of-Way

Before construction of a line extension, satisfactory rights of way and other necessary permits must be granted to the Company for the construction of the supply line extension along the route selected by the Company. The customer agrees to pay the Company any initial and recurring rights-of-way or license fees in excess of an amount normally incurred by the Company in constructing and maintaining the supply line extension.

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****7. SUPPLY LINE EXTENSIONS - (Continued)****E. Revenue Guarantees**

The revenue guarantee amount shall be the estimated cost of the line extension. The annual revenue guarantee amount shall be the revenue guarantee amount, divided by the number of years in the guarantee period. The annual revenue guarantee amount will be reviewed yearly and will be adjusted to the minimum charges as provided in the applicable rate schedule on the following basis:

- (1) When the total of the monthly Company delivery charges at the end of the current year is less than the annual revenue guarantee amount, a payment equal to the difference plus the related income tax where applicable shall be immediately due and payable.
- (2) When the total of the monthly Company delivery charges within the number of years in the guarantee period, equals or exceeds the revenue guarantee amount, no further payments are required. Any prior payments in excess of the revenue guarantee amount will be refunded with accrued interest.
- (3) If an additional customer is served from the line extension, the revenue guarantee amount will be reduced to the cost of the line extension which is used exclusively to serve the single customer. If the cost of the line extension to serve the new customer would increase the revenue guarantee amount for an existing customer, the extension shall be considered as a new line extension.
- (4) In the event the customer discontinues or cancels service before the end of the guarantee period, the balance of the revenue guarantee amount plus the related income tax where applicable shall be immediately due and payable.

F. Contributions in Aid of Construction

The Contribution in Aid of Construction (CIAC) will be refunded to the customer over the five-year revenue guarantee period to the extent that the revenue from the customer satisfies the revenue guarantee.

- (1) When the total of the monthly Company delivery charges at the end of the current year is greater than or equal to one-fifth of the CIAC, a refund of one-fifth of the CIAC will be made to the customer.
- (2) When the total of the monthly Company delivery charges at the end of the current year is less than one-fifth of the CIAC, a refund of one-fifth of the CIAC less the revenue shortfall will be made to the customer.
- (3) At the end of the five-year revenue guarantee period, a final reconciliation of delivery charges during the period will be made against the CIAC. If the total delivery charges paid exceed or equal the original CIAC, any remaining CIAC will be returned to the customer. If the total delivery charges paid are less than the original CIAC, the remaining CIAC will be retained by the Company.

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)**

8. **CONNECTION CHARGES** The Company reserves the right to make a reasonable charge including the related income tax, payable in advance, for service lines and for equipment installed for the exclusive use of a customer which exceed Company established standards described in the Company's "Electric Service Installation Rules."

9. RELOCATIONS OF FACILITIES**A. Pole Removal or Relocation for Residential Customers**

When requested by a residential property owner who is not otherwise entitled to receive condemnation damages to cover the cost of the pole removal or relocation or who is not requesting a pole removal or relocation as the result of damages caused by the intentional or negligent conduct of any party, the Company will when it is practicable, subject to the execution and receipt of required easements, licenses or municipal permits, remove or relocate a pole or poles and associated attachments, upon receipt, in advance, of the Company's estimated contractor or direct labor and direct material costs associated with the particular pole removal or relocation, less any maintenance expenses avoided as a result of the pole removal or relocation.

For purposes of this Rule, the following definitions are applicable:

- (1) **Contractor costs** - Amount paid by the utility to a contractor for work performed on a pole removal or relocation.
- (2) **Direct labor costs** - Includes pay and expenses of public utility employees directly attributable to work performed on pole removals or relocations. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs.
- (3) **Direct materials costs** - Includes the purchase price of materials used in performing a pole removal or relocation and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.
- (4) **Income tax** - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Other Company Facilities for all Customers

When requested or required by the action of a customer or a third party, relocation of Company facilities, except those covered under Section A of this Rule, will be performed by the Company upon receipt, in advance, of the Company's estimated total direct and indirect costs including the related income tax of such relocations from the customer or such third party. The Company may waive charges under this rule if, in the Company's judgment, the location of the Company's existing supply line and/or service line on the customer's property restricts the growth of the customer's operations and the potential increase in the Company's revenues.

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)**

10. ONE SERVICE OF A KIND Only one service of each type as to voltage and phase will be provided to a customer under one contract; provided, however, that when, in the judgment of the Company, compliance with Rule No. 17, Fluctuations and Unbalances, may be most economically effected by establishing a separate service connection for a portion of the customer's load, such separate service connection may, at the option of the customer, be combined, notwithstanding similarity as to voltage and phase, with other service connections under a single contract for the customer's entire electric delivery service requirements at the affected location. Electric service at different premises, regardless of voltage or phase, shall never be combined for billing under one account for the purpose of reducing Company charges.

11. METER SUPPORTS The customer shall provide on the premises, at a location satisfactory to the Company, proper space, supports, and enclosures for metering equipment.

12. TRANSFORMERS AND CONTROL EQUIPMENT Where, in the judgement of the Company, it is necessary to install transformers and other control or protective equipment on the customer's premises, the customer shall provide a suitable place, foundation and housing for such installation, in accordance with the Company's "Electric Service Installation Rules."

13. CUSTOMER'S FACILITIES The installation and maintenance of the customer's wiring and equipment shall be in accordance with the Company's "Electric Service Installation Rules" and shall be subject to the approval of the proper authorities. The Company is not required to provide electric service thereto unless so approved, but does not assume any responsibility for securing such approval. The Company shall not be liable for damages or injuries resulting from any defects in the customer's wiring or equipment.

13.1 UNDERGROUND DISTRIBUTION

A. When the Company is required by governmental order or enters into agreements with redevelopment authorities, a private real estate developer or a group of customers to change its distribution supply lines from overhead to underground, customers receiving or to receive electric service at voltages of 600 volts or less from these supply lines shall provide at their own expense the necessary facilities for receiving such underground service.

B. Underground Service Lines from Overhead Supply Lines**(1) Service Line Voltages Under 600 Volts.**

(a) Where an underground service line is installed from the Company's overhead, street secondary supply lines, the customer shall furnish and install all conductors and conduit in accordance with the Company's "Electric Service Installation Rules."

(2) Service Line Voltages Over 600 Volts.

(a) Where the Company's supply lines are overhead, the customer shall furnish and install all conduits or ducts for the underground primary service line within the street area as well as all necessary conduit, ducts, manholes and junction boxes on private property in accordance with the Company's "Electric Service Installation Rules."

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS****A. Definitions**

The following words and terms, when used in this rule shall have the following meanings, unless the text clearly indicates otherwise.

- (1) **Applicant for Electric Service** - The developer of a recorded plot plan consisting of five or more lots, or of one or more five-unit apartment houses.
- (2) **Developer** - The party responsible for constructing and providing improvements in a development, that is, streets, sidewalks, and utility-ready lots.
- (3) **Development** - A planned project which is developed by a developer/applicant for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or mobile homes and one or more five-unit apartment houses, all of which are intended for year-round occupancy, if providing electric service to such project necessitates extending the Company's existing distribution lines.
- (4) **Distribution line** - An electric supply line of untransformed voltage which delivers energy to one or more service lines.
- (5) **Service line** - An electric supply line of transformed voltage which delivers service to a residence or building as described in the Company's construction standards.
- (6) **Subdivider** - The party responsible for dividing a tract of land into building lots which are not to be sold as utility-ready lots.
- (7) **Subdivision** - A tract of land divided by a subdivider into five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or one or more five-unit apartment houses, all of which are intended for year-round occupancy, if providing electric delivery service to such subdivision necessitates extending the Company's existing distribution lines.

B. Installation of Distribution and Service Lines

Distribution and service lines installed under an application for electric service within a development will be installed underground; will conform to the Company's construction standards, the Pennsylvania PUC regulation 57.26 of Title 52 (relating to construction and maintenance of facilities), the specifications set forth in the National Electric Safety Code (NESC), and will be owned and maintained by the Company. Pad-mounted transformers will be installed as a Company construction standard. Excavating and backfilling shall be performed by the developer of the project or by another agent as the developer may authorize. Installation of service-related Company facilities will be performed by the Company or by another agent as the Company may authorize. Street-lighting lines installed then or thereafter within the same development will also be installed underground, upon terms and conditions prescribed elsewhere in the Company's tariff. The Company

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)****B. Installation of Distribution and Service Lines – (Continued)**

will not be liable for injury or damage occasioned by the willful or negligent excavation, breakage, or other interference with its underground lines occasioned by anyone other than its own employees or agents.

Nothing in this rule shall prohibit the Company from performing its own excavating and backfilling for greater system design flexibility. However, no charges to the developer other than those specified in C(4) of this rule will be charged.

C. Applicants for Electric Service

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

- (1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-lighting lines and related facilities.
- (2) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant will follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, the excavating and backfilling will be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse utility service until the standards and specifications are met.
- (3) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with other utilities sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary costs and delay.
- (4) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)****C. Applicants for Electric Service - (Continued)**

- (a) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric service and is acceptable to the Company.
- (b) A change in the plot plan or final grade elevations by the applicant for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
- (c) Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead service.
- (5) No charges other than those described in paragraph (4) of this rule shall be borne by the applicant for electric service or by any other utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.
- (6) No charges other than those described in paragraphs (4) or (5) will be borne by the applicant, even if the Company elects to perform its own trenching and backfilling.

D. Installing Distribution Lines Beyond Boundary of Development

Whenever the distance from the end of the Company's existing distribution line to the boundary of the development is 100 feet or more, the 100 feet of new distribution line nearest to but outside such boundary shall be installed underground if practicable; and whenever such distance is less than 100 feet from said boundary, all of the new distribution line nearest to but outside such boundary shall be installed underground if practicable. The installation required by this paragraph shall be provided by the Company, without cost to the applicant. However, the developer must provide the excavating and backfilling.

E. Classification of Charges

Amounts the Company receives under paragraph C(4) (relating to applicant for electric service) will be credited to Contributions in Aid of Construction.

F. Exceptions

- (1) Whenever the Company or any affected person believes that the application of the tariff rule works an undue hardship, involves a physical impossibility, or is otherwise inappropriate, the Company or persons may request an exception from the underground requirements of paragraphs A through E of this rule (relating to definitions, installation of distribution and service lines, applicant for electric service, installing distribution lines beyond boundary of development, and calculation and classification of charges) by providing the Pennsylvania Public Utility Commission with the following:

RULES AND REGULATIONS - (Continued)**INSTALLATION OF SERVICE - (Continued)****13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)****F. Exceptions – (Continued)**

- (a) A copy of the recorded plot plan of the development for which the exception is being sought.
- (b) A letter petition setting forth:
 - (i) the name of the applicant
 - (ii) the location and size of the development involved
 - (iii) the names of the electric utility and telephone utility which will provide service to that development
 - (iv) the date on which construction began or will begin; whether the development is a new development or one phase in a development to be completed in several phases; and whether facilities in the area surrounding the development have been installed *underground or overhead*.
- (2) Upon the filing of an exception request, the Commission staff will notify the utilities involved and the appropriate local government authority, review the facts stated in the request, and issue to the applicant and the utility an informal written report and decision within 180 days of the request for an exception. Failure of the party requesting an exception to supply sufficient data within 180 days of the period shall result in the automatic denial of the request.
- (3) A public utility or any affected person may appeal the informal decision rendered by Commission staff by filing a letter petition with the Secretary of the Commission stating the facts in question and requesting a hearing. All appeals shall be referred to the Commission's Office of Administrative Law Judge for hearing and decision.
- (4) If an exception request initiated by an applicant for electric service is granted, and the applicant thereafter desires underground electric service, then paragraphs B and C (relating to installation of distribution and service lines and applicant for electric service) will apply as if no exception had been granted.

G. Applicability

This rule shall apply to applications for service to developments, which are filed with the Company after June 30, 1984.

H. Subdivisions

Underground facilities in new residential developments are only required by paragraphs A through G (relating to underground electric service in new residential developments)

RULES AND REGULATIONS - (Continued)**MEASUREMENT AND USE OF SERVICE****13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)****H. Subdivisions – (Continued)**

when a bona fide developer exists, that is, only when utility-ready lots are provided by the developer. A mere subdivision is not required to have underground service. Should the lot owner or owners in a subdivision desire underground service, the service will be provided by the Company if the lot owner or owners, at their option, either comply with paragraph C (relating to applicants for electric service) or pays to the Company charges that are contained in the Company's tariff for underground electric service not required by this rule.

13.3 BUILDING ENERGY CONSERVATION STANDARDS FOR RECEIPT OF UTILITY SERVICE FOR RESIDENTIAL BUILDINGS Pursuant to the requirements of amended Pa. Code §69.101 through §69.107, the following provisions are incorporated in this Tariff:

The Company must receive proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act (Act 222) prior to providing electric service for any purpose, including temporary electric service for residential building construction purposes, to (1) new residential buildings, (2) additions to existing residential buildings, and (3) renovated residential buildings located in municipalities that have not elected to administer Act 222.

Proof of compliance shall be made by furnishing the Company with a "Notice of Intent to Construct" form certified by Pennsylvania's Department of Community Affairs.

Upon request, the Company will provide information and the required forms for compliance with Act 222.

14. MEASUREMENT OF SERVICE The quantity of energy recorded by the Company's meters for billing purposes shall be final and conclusive, except where the meters fail to register or are determined to be in error; in these instances, the quantity delivered during the period in question shall be estimated, after due consideration of previous or subsequent properly measured deliveries. Tests of meters made upon written request of the customer will be in accordance with the rules and regulations of the Pennsylvania Public Utility Commission. See Rule 42 for more detail on meter inspections.

14.1 METER READING INTERVALS For billing purposes, the Company will read meters at scheduled regular monthly intervals.

14.2 CUSTOMER REQUEST FOR SPECIAL METERING If a customer wishes to replace the Company billing meter, to the extent technically possible, the Company will offer, provide and support a selection of qualified meters that conform with Company standards. The Company will perform the installation within a reasonable amount of time and at the expense of the customer. The customer must pay for such metering equipment based on the net incremental cost of purchasing and installing the new equipment. The Company will own and maintain all such new metering equipment. The Company will continue to read the meter for billing purposes, and to obtain the data to be used to fulfill its obligations in satisfying arrangements with the EGS as required.

RULES AND REGULATIONS - (Continued)**MEASUREMENT AND USE OF SERVICE - (Continued)****14.2 CUSTOMER REQUEST FOR SPECIAL METERING – (Continued)**

The Company has adopted a program that provides all customers with meters to provide data for normal monthly billing services. In the event that a residential or small commercial customer, or an EGS on behalf of a residential or small commercial customer, requests an upgrade to an Alpha Powerplus meter, which the Company provides for large commercial and industrial customers, installation of that meter will be provided at a cost of \$586.00, plus additional costs if a dedicated phone line is not provided by the customer. These net incremental charges, as set forth in the Company's Advance Meter Catalog, may be paid to the Company by either the customer or the EGS, or jointly by the customer and the EGS pursuant to a mutual agreement.

14.3 SUB-METERING If a customer wishes to have metering installed in addition to the Company installed meter, the meter must be installed on the customers electrical system and at the expense of the customer.

15. INABILITY TO READ RESIDENTIAL METERS When scheduled readings of kilowatt-hour meters are not obtained because of inability to gain access to the meter location, the customer may read his meter and furnish the Company the reading on cards supplied by the Company, or by telephone to the Company, in which case the bill will be rendered on the basis of such reading; otherwise, the Company will estimate the bill. No more than five (5) successive bills will be rendered on readings made by the customer.

15.1 INABILITY TO READ COMMERCIAL OR INDUSTRIAL METERS When scheduled readings of kilowatt-hour and demand meters are not obtained, the Company may render an interim statement for each month until the meters are read.

16. USE OF SERVICE BY CUSTOMER The customer shall use the electric service only at the premise where service is established; and after electric service has been established, shall notify the Company of any change in connected load, demand, or other conditions of use. The customer shall notify the Company of other on site sources of electric generation or electricity concurrently produced as a by-product of another process or electricity produced utilizing renewable resources. Customers who own and operate electric generation equipment shall conform with the Company's "Electric Service Installation Rules", copies of which may be obtained at the Company's offices. For customers who own and operate electric generation, the provisions of Rider No. 16, "Service to Non-Utility Generating Facilities" and Rider No. 22, "Renewable Energy Service" may also apply.

17. FLUCTUATIONS AND UNBALANCES The customer's use of electric service shall not cause fluctuating loads or unbalanced loads of sufficient magnitude to impair the service to other customers or to interfere with the proper operation of the Company's facilities. The Company may require the customer to make such changes in his equipment or use thereof, or to install such corrective equipment, as may be necessary to eliminate fluctuating or unbalanced loads; or, where the disturbances caused thereby may be eliminated more economically by changes in or additions to the Company's facilities, the Company will, at the request of the customer, provide the necessary corrective facilities at a reasonable charge. Payment will be made in full in advance for supplying special equipment installed under this Rule.

RULES AND REGULATIONS - (Continued)**MEASUREMENT AND USE OF SERVICE - (Continued)**

18. REDISTRIBUTION All electric energy shall be consumed by the customer to whom the Company supplies and delivers such energy, except that (1) a customer operating a separate office building, and (2) any other customer who, upon showing that special circumstances exist, obtains the written consent of the Company may redistribute electric energy to tenants of such customer, but only if such tenants are not required to make a specific payment for such energy, except where such payments would encourage energy conservation. This rule shall not affect any practice undertaken prior to June 1, 1965. See Rule No. 41 for special requirements for residential dwelling units in a building.

19. CONTINUITY AND SAFETY The Company will use all reasonable care to provide safe and continuous delivery of electricity but shall not be liable for any damages arising through interruption of the delivery of electricity or for injury to persons or property resulting from the use of the electricity delivered.

BILLS AND NET PAYMENT PERIODS

20. BILLING The Company will render a bill monthly for electric service.

20.1 BILLING OPTIONS Customers who elect to purchase their electricity from an EGS may choose: (1) Consolidated Billing and receive a single bill from the Company that includes Company charges and EGS charges; or (2) Separate Billing and receive one bill from the Company for Company charges and a second bill from the EGS for EGS charges. The customer's billing option will be communicated to the Company by the EGS, in accordance with the provisions contained in the Supplier Tariff. (C)

20.2 BILLS Bills for electric service are due and payable upon presentation and may be paid at the general offices of the Company during its regular office hours or to any of its collecting agencies during the regular office hours of such agencies. For customers who select an EGS and who select the Separate Billing Option, payment of the bill from the EGS is due to the EGS per the EGS terms and conditions. When the meter readings are taken at other than monthly intervals or when the elapsed time between meter readings is substantially greater or less than one month, the rate values applicable to monthly delivery periods will be adjusted.

21. NET PAYMENT Payments made direct at the payment receiving offices of the Company or payments made direct to the Company's agencies by the due date will be accepted by the Company in the amount billed. Payments made by mail may be accepted in the amount billed by the Company, at its option if: (1) the date of mailing as determined by the Post Office date stamp on the enclosing envelope is on or before the due date, or (2) the payment is received within five days after the due date. A Late Payment Charge will be added to Company charges for failure to make payment of the bill in accord with the above.

21.1 PAYMENT OF BILLS FOR RESIDENTIAL SERVICE The Company will designate a due date on its bill which shall be a business day no less than 20 days from the date of transmittal of the bill. 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 ratepayers receiving Social Security or equivalent monthly checks on or about the first of the month.

RULES AND REGULATIONS - (Continued)**BILLS AND NET PAYMENT PERIODS – (Continued)**

21.2 PARTIAL PAYMENT OF BILLS For customers who submit payments which are insufficient to cover all of the charges billed by the Company, including EGS charges for those customers who have selected consolidated billing, the Company will apply the payment based upon their outstanding balance, if any, and their current bill, as follows: (1) past-due distribution charges; (2) past-due transmission charges; (3) current distribution charges; (4) current transmission charges; (5) past-due generation charges; (6) current generation charges; and (7) non-basic service charges. (C)

21.3 RETURNED CHECK OR ACCESS DENIED CHARGE If a check or access device as defined by Pennsylvania law 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, a \$20.00 charge for the returned check will be added to the Customer's account. (C)

COMPANY PROPERTY ON CUSTOMER'S PREMISES

22. ACCESS TO PREMISES Company representatives, who are properly identified, shall have full and free access to the customer's premises at all reasonable times for the purpose of reading Company meters, for inspection and repairs, for removal of Company property, or for any other purpose incident to the service. The customer should immediately communicate with the Company in case of any question as to the authority or credentials of Company representatives.

23. CUSTOMER'S RESPONSIBILITY The customer shall protect the property of the Company on the premises and shall not permit access thereto except by authorized representatives of the Company.

24. TAMPERING Where evidence is found that the service wires, meters, switch box or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, and for such protective equipment as, in the judgment of the Company, may be necessary (including the relocation of inside metering equipment to an accessible outside location); and in addition, where the tampering has resulted in improper measurement of the electricity delivered, the customer shall be required to pay for such electric delivery service, and any Company supplied electricity, including interest at the Late Payment Charge rate, as the Company may estimate, from available information to have been used but not registered by the Company's meters.

25. REPAIRS OR LOSSES The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished.

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE

26. ARREARS The Company upon reasonable notice may terminate electric service and remove its equipment from the premises for nonpayment of undisputed Company service charges or Company charges as the provider of last resort charges. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

(C) – Indicates Change

RULES AND REGULATIONS - (Continued)**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE – (Continued)**

26.1 COLLECTION REVIEW The Company shall review accounts monthly for collection purposes. The Company shall pursue collection of residential accounts on a monthly basis where permitted by applicable regulations.

27. CONTRACTS OR APPLICATIONS Where electric service has been established without the customer first having executed a written contract or application, the Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to execute a written contract or application when requested so to do by the Company. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

28. DEPOSITS The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to post a cash deposit based on Company charges when requested to do so by the Company, as provided under Rule No. 5. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

29. UNDERGROUND SERVICE The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice when the customer refuses or neglects to provide at his own expense the necessary facilities for receiving underground service, as provided under Rule No. 13.1. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

30. HAZARDOUS AND IMPROPER CONDITIONS The Company may terminate electric service and remove its equipment from the premises if in the judgment of the Company the customer's installation has become dangerous or defective, or if the Company has received a notice from the proper authorities that the customer's equipment is dangerous or defective, or if the customer's equipment or use thereof injuriously affects the equipment of the Company or the Company's service to other customers. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

31. MISREPRESENTATIONS The Company reserves the right to terminate electric service and remove its equipment from the premises in case the customer has made misrepresentations to the Company with respect to the customer's identity or the use of the electric service. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

32. REDISTRIBUTION The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer redistributes the electric service contrary to the provisions set forth in this tariff. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

RULES AND REGULATIONS - (Continued)**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)**

- 33. INACCESSIBILITY** The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case meter readers or other authorized representatives of the Company 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 in case the customer interferes with Company representatives in the performance of their duties. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."
- 34. TAMPERING** The Company may terminate electric service and remove its equipment from the premises in case the Company's property on the premises has been interfered with, or in case evidence is found that the service wires, meters, switch-box or other appurtenances on the premises have been tampered with. When a residential customer or residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."
- 35. REPAIRS AND LOSSES** The Company may terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer shall neglect or refuse to reimburse the Company for repairs to or loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."
- 36. WRITS AND LEVIES** The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case a Writ of Execution is issued against the customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of the customer. When a residential customer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."
- 37. INTERRUPTIONS FOR REPAIRS** The Company reserves the right to curtail or temporarily interrupt customers' electric service upon prior notice of the cause and expected duration of interruption when it shall become necessary so to do in order that the Company may make repairs, replacements or changes in its equipment on or off the premises of the customers.
- 38. GOVERNMENTAL AUTHORITY** The Company reserves the right to curtail, interrupt, or discontinue electric service without notice in case it becomes necessary for the Company so to do in compliance with any order or request of any governmental authority. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.
- 39. CURTAILMENT WITHOUT NOTICE** The Company reserves the right to curtail, interrupt or discontinue electric service without prior notice to the extent required to meet emergencies. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

RULES AND REGULATIONS - (Continued)**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)**

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

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

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

Whenever events occur which are actually resulting, or in the judgment of the Company threaten to result, in a reduction in the supply of electricity which results from conditions such as a restriction of the fuel supplies available to the Company or its energy vendors, such that the amount of electric energy which the Company is able to supply is or will be adversely affected, by the loss of third party supply etc., an emergency energy conservation situation exists.

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

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

When a state of emergency is declared by the Governor, or other appropriate governmental authority, and during the period of that emergency, upon notification of the customer by the Company, the customer shall take the actions required by the procedures for emergency energy conservation. During the period of that emergency the appropriate customers will be billed under the provisions of Rider No. 17 - Emergency Energy Conservation.

RULES AND REGULATIONS - (Continued)**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)****39.2 EMERGENCY ENERGY CONSERVATION - (Continued)**

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

40. RECONNECTION CHARGE Where service has been discontinued under the terms of Rules No. 26 through 36, inclusive, the Company reserves the right as a condition precedent to the reconnection of service to require the payment of all arrearages for Company charges and a deposit, and to require the payment of the following appropriate reconnection charge:

- A. \$50.00 for resumption of electric service to the same customer within a year of the service disconnection or termination where service has been disconnected at the meter.
- B. \$250.00 for resumption of electric service to the same customer within a year of the service disconnection or termination where service has been disconnected at the pole.
- C. \$250.00 for resumption of electric service to the same customer within a year of the service disconnection or termination when the connection is an aerial tap.
- D. \$89.00 for reconnection of a transformer to the same General Service customer within a year of the service disconnection or termination.

When a residential customer or residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service" and 66 Pa.C.S. § 1406, "Termination of Utility Service."

Where electric service has been discontinued upon the request of the customer and where the customer requests that service be reconnected at the same location within a period of one year from the date that electric service was discontinued, the Company reserves the right as a condition precedent to the reconnection of service to require the payment of all arrearages for Company charges which will consist of the minimum charge applicable to such customer's service during the period of discontinuance.

Where electric service to a non-residential customer has been terminated under the terms of Rules No. 30 and/or 34, and such condition was the direct result of tampering, the Company reserves the right as a condition precedent to the reconnection of service to require payment of all costs incurred by the Company for investigations and inspections, and for such protective equipment deemed necessary by the Company.

RULES AND REGULATIONS - (Continued)**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)**

41. PROHIBITION OF RESIDENTIAL MASTER METERING Each residential dwelling unit in a building must be individually metered by the Company for buildings connected after January 1, 1981. For the purposes of the Rule, a dwelling unit is defined as:

One or more rooms for the use of one or more persons as a housekeeping unit with space for eating, living, and sleeping, and permanent provisions for cooking and sanitation.

This Rule does not preclude the use of a single meter for the common areas and common facilities of a multi-tenant building.

This Rule shall not effect any practice undertaken prior to January 1, 1981.

GENERAL PROVISIONS

42. METER TESTING The Company will inspect or test the accuracy of a meter at the request of the customer or an EGS for whom the meter registers service, but reserves the right to require payment of the fees set forth in 52 Pa. Code § 57.22 for such test. This rule shall apply to the inspection or testing of special meters described in Rule No. 14.2.

43. OTHER SERVICES The Company may, where possible, provide and charge a reasonable fee for services including, but not limited to, energy audits, equipment inspections, technical reports and other similar services, at the request of the customer. Where possible, the Company will give an advanced, written estimate of the cost to provide the service.

44. SURGE PROTECTION SERVICE Surge Shield™, a surge suppression device that will reduce or eliminate voltage surges, is available to customers pursuant to the terms and conditions set forth below. The device is mounted behind the meter socket at the customer's premise.

A. Availability

The Company will provide Surge Shield™, to any customer with a 120/240 volt single-phase meter upon request, provided that the customer is determined by the Company to have an acceptable credit history.

B. Billing

A charge of \$4.65 per month for Surge Protection Service will be billed quarterly for a total of \$13.95. (One hundred and forty customers who elected monthly billing in the initial stage of the pilot program were subsequently offered a \$0.25 per quarter discount to accept quarterly billing. This discount will remain in effect for those customers.) At the Company's option, monthly billing may be offered in the future.

RULES AND REGULATIONS - (Continued)**GENERAL PROVISIONS – (Continued)****44. SURGE PROTECTION SERVICE – (Continued)****C. Payment Terms**

Bills are due and payable on or before twenty (20) days for residential customers and fifteen (15) days for all other customers from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. Non-payment of the charges for Surge Protection Service will result in termination of the service and removal of the Surge Shield™ device. Termination of the Surge Protection Service will not impact the continuity of basic service.

D. Contract Term

An initial contract of one year is required, renewable thereafter from month to month.

E. Termination of the Service

Termination prior to the conclusion of the initial contract term will result in a \$50 service charge for removal of the device. Thereafter, a one month notice of termination is required and the customer will not be charged for removal of the device.

F. Liability

In the event that a customer's equipment and/or appliance is damaged as a direct result of the failure or malfunction of Surge Shield™, Duquesne will be responsible for the repair or replacement of the equipment and/or appliance for up to \$1,000 per occurrence.

45. SUPPLIER SWITCHING The Company will accommodate requests by customers to switch EGSs in accordance with 52 Pa. Code Chapter 57, Subchapter M "Standards for Changing a Customers Electricity Generation Supplier." Customers are permitted to purchase electricity from only one EGS per billing cycle. Customers who elect to return to the Company from an EGS will return at the charges of the applicable rate. Switching by customer shall occur in accordance with the direct access procedures, and in accordance with the provisions contained in this Tariff and the Supplier Tariff.

45.1 SWITCHING PROTOCOLS Upon receipt of the request by the Company from the customer or authorized party to change the EGS, the Company will send the customer a confirmation letter notifying the customer of the proposed change and their right to rescind. If the customer does not contact the Company within 10 days of the date on the confirmation letter, then the Company will process the selection. The selection will be effective as of the next scheduled meter read date and the EGS will become the EGS of record for delivery provided that: (1) the Company has received at least 10 days prior notice from the EGS; (2) and all required customer information including the customer's name, service address, customer account number, proposed EGS and confirmation that the proposed EGS has agreed to provide the services is provided to the Company is accurate and complete; (3) the 10-day waiting period has expired; and (4) the customer has not contacted the Company to dispute the EGS selection. If the required information to process a change to an EGS is not provided, the customer shall either call the Company with the necessary

RULES AND REGULATIONS - (Continued)**GENERAL PROVISIONS- (Continued)****45.1 SWITCHING PROTOCOLS – (Continued)**

information or supply signed written authorization before the change is processed. 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. In the event the customer rescinds their EGS selection after the 10-day waiting period, the customer will be required to remain with the selected EGS for a minimum of one billing cycle.

45.2 SUPPLIER SWITCHING OPTIONS**A. Switching Options - Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL**

Customers on these rate schedules who take POLR service from the Company may switch to an EGS at any time provided such notice is made to the Company in accordance with the switching protocols Rule 45.1. If a customer's service with an EGS is scheduled to terminate at some future date, that customer may renew that service with the same EGS or enter into a new contract with another EGS for service without returning to POLR service, provided such notice is made in accordance with the switching protocols. The customer may return to POLR service at the applicable tariff rates in effect at the time service is rendered to the customer. Only the customer may initiate the switch from EGS service to return to the Company's POLR service. The customer must notify the Company by telephone, in person or by written correspondence to initiate the switch to return to POLR service. The Company, however, will permit a customer to return to POLR service in a switch initiated by the customer's EGS through standard EDI procedures in the following circumstances: (1) the customer's failure to pay for service rendered by the EGS, (2) the complete abandonment of service in the Company's service area by the customer's EGS, (3) to remedy a case of inadvertent slamming of the customer, and (4) the expiration of the term of the customer's contract with the EGS, provided that the customer's contract with the EGS is a standard one commonly used by the EGS to provide service to other customers with similar service requirements and the expiration dates of the contract are not otherwise designed to game supply around POLR service rates by returning the customer to POLR service when wholesale energy prices have increased and EGS service to the customer has become uneconomic. Upon receipt of notice from an EGS to switch a customer from POLR service to the EGS, or notice from the customer of its intention to return to POLR service, the Company will provide the customer with a confirmation letter confirming the change in generation supply unless otherwise instructed by the customer within 10 days.

B. Switching Options - Rate Schedules GL, GLH, L and HVPS

Non-residential customers on Rate Schedule GL, GLH, L or HVPS receiving POLR service under Rider No. 8 – Fixed Price Service, may switch to an EGS or to Rider No. 9 – Hourly Price Service at any time subject to the GRA calculation in Rider No. 23. The GRA shall apply whenever a customer leaves service under Rider No. 8 prior to the end of the Price Application Period of the Energy Charges defined in Rider No. 8. The GRA shall apply only over the period of time that the customer was on Rider No. 8 service during the applicable Price Application Period. If a non-residential customer leaving Rider No. 8 service fails to pay the GRA within 60 days of the bill date or otherwise files to dispute the calculation pursuant to Duquesne's Tariff, the customer shall be returned to POLR service on Rider No. 8 and remain there until the GRA is paid.

RULES AND REGULATIONS - (Continued)**GENERAL PROVISIONS- (Continued)****45.2 SUPPLIER SWITCHING OPTIONS – (Continued)****B. Switching Options - Rate Schedules GL, GLH, L and HVPS – (Continued)**

Non-residential customers on Rate Schedule GL, GLH, L or HVPS receiving POLR service under Rider No. 9 – Hourly Price Service, may return to Rider No. 8 – Fixed Price Service at any time at the rates then in effect for the applicable Price Application Period or may switch to EGS service at any time in accordance with Rule 45.1, Switching Protocols.

46. PROVISION OF LOAD DATA The Company will provide to a customer or its authorized representative historical data in accordance with all current regulatory requirements of direct access once each calendar year for no fee. All subsequent requests by the customer, and all requests for historical data by the EGSs or other customer authorized consultant will be provided in accordance with the Supplier Tariff.

47. TAX INDEMNIFICATION If Duquesne Light Company becomes liable under Section 2806(g) or 2809(c) of the Public Utility Code, Pa. C.S. §§ 2806(g) and 2809(f), for Pennsylvania state taxes not paid by an Electric Generation Supplier (EGS), the non-compliant EGS shall indemnify Duquesne for the amount of additional state tax liability imposed upon Duquesne by the Pennsylvania Department of Revenue due to the failure of the EGS to pay or remit to the Commonwealth the tax imposed on its gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

RATE RS - RESIDENTIAL SERVICE

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, and general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge	\$7.00	(I)
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ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
All kilowatt-hours	4.2313	6.3031	(I)

ELECTRIC CHARGES (C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

(I) – Indicates Increase

(C) – Indicates Change

RATE RS - RESIDENTIAL SERVICE - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES – (Continued)

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

SPECIAL PROVISIONS

RESIDENTIAL GARAGE

A separately metered 240 volt (or less) single phase service to a detached residential garage utilized solely for storing a residential customer's vehicle(s) and that is located on the same property as the residential customer's dwelling unit will be considered residential use and may be serviced under the terms of this rate.

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

RATE RH - RESIDENTIAL SERVICE HEATING

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and as the sole primary method of space heating except that the space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge.....\$7.00 (I)

WINTER MONTHLY RATE

For the Billing Months of November through April:

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 500 kilowatt-hours	4.2313	7.6604	(I)
Additional kilowatt-hours	2.1912	2.6133	(I)

SUMMER MONTHLY RATE

For the Billing Months of May through October:

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
All kilowatt-hours	4.2313	7.6604	(I)

(I) – Indicates Increase

(C) – Indicates Change

RATE RH - RESIDENTIAL SERVICE HEATING - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RH - RESIDENTIAL SERVICE HEATING - (Continued)**SPECIAL PROVISIONS****RESIDENTIAL GARAGE**

A separately metered 240 volt (or less) single phase service to a detached residential garage utilized solely for storing a residential customer's vehicle(s) and that is located on the same property as the residential customer's dwelling unit will be considered residential use and may be served under the terms of this rate. To be served under the terms of this rate, the garage must use the Company's service as the sole primary method for space heating maintaining a winter time temperature of 55⁰ F. or more.

SPACE HEATING EQUIPMENT

Space heating equipment must be permanently installed, thermostatically controlled and must be approved by the Company.

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes and for commercial or professional activity where associated consumption represents less than 25% of the total monthly usage at the premise, and an add-on heat pump for space heating. Other energy sources may be used to supplement the add-on heat pump provided that the supplemental energy source is thermostatically controlled to operate only when the outdoor temperature falls to at least 40^o F and the add-on heat pump cannot provide the total heating requirements.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge \$7.00 (I)

WINTER MONTHLY RATE

For the Billing Months of November through April:

ENERGY CHARGES	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 500 kilowatt-hours	2.8953	7.7806	(I)
Additional kilowatt-hours	1.4994	2.7020	(I)

SUMMER MONTHLY RATE

For the Billing Months of May through October:

ENERGY CHARGES	<u>Distribution Charge</u> cents per Kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
All kilowatt-hours	2.8953	7.7806	(I)

(I) – Indicates Increase

(C) – Indicates Change

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP - (Continued)**MONTHLY RATE - (Continued)****ELECTRIC CHARGES**

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP - (Continued)

SPECIAL PROVISIONS

SPACE HEATING EQUIPMENT

Space heating equipment must be permanently installed, thermostatically controlled and must be approved by the Company.

The add-on heat pump and supplemental heating device must be equipped with a thermostatically operated control system which operates the add-on heat pump as the primary heating system until the outdoor temperature falls to at least 40^o F.

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM

AVAILABILITY

Available for all the standard electric service taken on a small or medium general service customer's premises for which a residential rate is not available.

MONTHLY RATE FOR NON-DEMAND METERED CUSTOMERS

CUSTOMER CHARGE

Customer Distribution Charge\$7.00 (I)

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 1,300 kilowatt-hours	4.2313	7.9914	(I)
Additional kilowatt-hours	4.2313	3.4824	(I)

MONTHLY RATE FOR DEMAND METERED CUSTOMERS

CUSTOMER CHARGE

Customer Distribution Charge\$30.00 (I)

DEMAND CHARGES (C)

	<u>Distribution Charge</u> \$ per kilowatt	<u>Generation Charge</u> \$ per kilowatt	
First 5 kilowatts or less of Demand	No Charge	No Charge	
Additional kilowatts of Demand	4.84	9.28	(I)

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 1,300 kilowatt-hours	0.8323	7.9914	(I)
Additional kilowatt-hours	0.8323	3.4824	(I)

(I) – Indicates Increase

(C) – Indicates Change

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

MONTHLY RATE

ELECTRIC CHARGES

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MAXIMUM AVERAGE CHARGE

For customers who elect to purchase their electricity from the Company, the total average charge for distribution, transmission and generation calculated under the rates contained in this Tariff shall not exceed 26.5118 cents per kilowatt-hour except by reason of the Minimum Charge.

(I)

For customers who elect to purchase their energy from an EGS, and where the total charges would have exceeded 26.5118 cents per kilowatt-hour had they purchased their electricity from the Company, the average charge for distribution shall not exceed 7.88 cents per kilowatt-hour.

(I)

The maximum average charges shall be allocated among distribution, transmission and generation and billed as follows:

<u>Maximum Average Distribution Charge cents per kilowatt-hour</u>	<u>Maximum Average Transmission Charge cents per kilowatt-hour</u>	<u>Maximum Average Generation Charge cents per kilowatt-hour</u>
7.88	0.76	17.8718

(I)

This provision is only applicable for those bills that include demand billed on the above Demand Charges.

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (Continued)MONTHLY RATE – (Continued)**MINIMUM CHARGE**

The Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 50% of the current month Billing Demand or 30% of the highest Billing Demand, during the preceding eleven months, whichever is greater, but not less than the Customer Distribution Charge. The Demand Charge shall be determined using the Distribution Charge and the Transmission and Generation Charges associated with the Company supplied transmission and generation, if any.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when *not paid* on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

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

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, *adjusted for power factor as defined above.*

CONTRACT PROVISIONS

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

STANDARD CONTRACT RIDERS

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

RATE GMH - GENERAL SERVICE MEDIUM HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge \$30.00 (I)

For the Billing Months of October through May:

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt of Demand over 6 kilowatts	3.0313	7.2685	(I)
Additional kilowatt-hours	0.8323	3.0442	(I)

For the Billing Months of June through September:

DEMAND CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 5 kilowatts or less of Demand	No Charge	No Charge	
Additional kilowatts of Demand	4.84	9.66	(I)

(I) – Indicates Increase

(C) – Indicates Change

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

For the Billing Months of June through September: - (Continued)

ENERGY CHARGES

(C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 1,300 kilowatt-hours	0.8323	8.2699	(I)
Additional kilowatt-hours	0.8323	3.0442	(I)

ELECTRIC CHARGES

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MAXIMUM AVERAGE CHARGE

For customers who elect to purchase their electricity from the Company, the total average charge for distribution, transmission and generation calculated under the above rates shall not exceed 28.2218 cents per kilowatt-hour except by reason of the Minimum Charge. (I)

For customers who elect to purchase their energy from an EGS, and where the total charges would have exceeded 28.2218 cents per kilowatt-hour had they purchased their electricity from the Company, the average charge for distribution shall not exceed 7.88 cents per kilowatt-hour. (I)

(C) – Indicates Change

(I) – Indicates Increase

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

MAXIMUM AVERAGE CHARGE – (Continued)

The Maximum Average Charges shall be allocated among distribution, transmission and generation and billed as follows:

<u>Maximum Average Distribution Charge cents per kilowatt-hour</u>	<u>Maximum Average Transmission Charge cents per kilowatt-hour</u>	<u>Maximum Average Generation Charge cents per kilowatt-hour</u>	
7.88	0.76	19.5818	(I)

This provision is only applicable for those bills that include demand billed during the billing months of June through September.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt, plus a Distribution Charge of \$4.55 per kW, and the charges for Company supplied transmission and generation, if any. For Company supplied transmission and generation, the Transmission Charge shall be calculated as set forth in Appendix A (as stated for the months of June through September) and a Generation Charge of \$1.76 per KW for each additional kilowatt. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 50% of the current month Billing Demand or 30% of the highest Billing Demand during the preceding eleven months, whichever is greater, but not less than the Customer Distribution Charge. The Demand Charge shall be determined using the Distribution Charge and the Transmission and Generation Charges associated with Company supplied transmission and generation, if any. (I)

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. For the months of June through September, demand will be determined as defined in Rate GS/GM.

(I) – Indicates Increase

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

STANDARD CONTRACT RIDERS

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

SPECIAL PROVISION

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

RATE GL - GENERAL SERVICE LARGE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the demand is not less than 300 kilowatts.

MONTHLY RATE

GENERATION

Customers who elect to purchase their electric generation requirements from the Company will do so under the provisions of either Rider No. 8 – Fixed Price Service or Rider No. 9 – Hourly Price Service and will be billed in accordance with the terms contained therein.

DISTRIBUTION

(C)

DEMAND CHARGES

(C)

First 300 kilowatts or less of Demand	\$2,121.00	(I)
Additional kilowatts of Demand	\$6.45 per kW	(I)

ENERGY CHARGES

(C)

All kilowatt-hours	0.1236 cents per kWh	(D)
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ELECTRIC CHARGES

(C)

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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier or service under Rider No. 8, the Company will supply electricity pursuant to Rider No. 9 – Hourly Price Service.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE GL - GENERAL SERVICE LARGE - (Continued)

MONTHLY RATE – (Continued)

MINIMUM CHARGE

The Minimum Charge shall be the sum of a Demand Charge based on 50% of the Contract On-Peak Demand for distribution, plus the charges for Company supplied transmission and generation, if any. The Demand Charge shall be determined using the Distribution Charge, and in total shall not be less than the demand charges associated with the first 300 kW or less of demand. For Company supplied transmission and generation, the transmission charges shall be calculated as set forth in Appendix A and the generation charges shall be calculated as set forth under Rider No. 8 or Rider No. 9.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND FOR DISTRIBUTION

(C)

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

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

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, adjusted for power factor as defined above, but not less than 50% of the Contract On-Peak Demand nor less than 300 kilowatts, whichever is the greater.

CONTRACT DEMAND

The Contract Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to deliver to the customer.

RATE GL - GENERAL SERVICE LARGE - (Continued)

CONTRACT DEMAND – (Continued)

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

CONTRACT PROVISIONS

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

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

STANDARD CONTRACT RIDERS

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

RATE GLH - GENERAL SERVICE LARGE HEATING

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge \$30.00 (I)

GENERATION

Customers who elect to purchase their electric generation requirements from the Company may do so under the provisions of either Rider No. 8 – Fixed Price Service or Rider No. 9 – Hourly Price Service and will be billed in accordance with the terms contained therein.

DISTRIBUTION

For the Billing Months of October through May:

ENERGY CHARGES

First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt of Demand over 6 kilowatts	3.7110 cents per kWh	(I)
Additional kilowatt-hours	0.1236 cents per kWh	(I)

For the Billing Months of June through September:

Rate GL shall apply. (C)

RATE GLH - GENERAL SERVICE LARGE HEATING - (Continued)**MONTHLY RATE - (Continued)****ELECTRIC CHARGES**

(C)

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 Provider of Last Resort Service from the Company. The Transmission Service Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier or service under Rider No. 8, the Company will supply electricity pursuant to Rider No. 9 – Hourly Price Service.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

For the months of October through May, the Minimum Charge shall be the Customer Distribution Charge for the first kilowatt plus a Distribution Charge of \$5.57 per kW and the charges for Company supplied transmission and generation, if any. For Company supplied transmission and generation, the transmission charges shall be calculated as set forth in Appendix A and the generation charges shall be calculated as set forth under Rider No. 8 or Rider No. 9. The Minimum Charge shall not be less than the Customer Distribution Charge. For the months of June through September, the Minimum Charge shall be calculated in accordance with the Minimum Charge provisions contained in Rate GL.

(I)

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

(C)

RATE GLH - GENERAL SERVICE LARGE HEATING - (Continued)

MONTHLY RATE - (Continued)

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen minute period of greatest kilowatt-hour use during the billing period. For the months of June through September, demand will be determined as defined in Rate GL.

STANDARD CONTRACT RIDERS

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

SPECIAL PROVISION

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

RATE L - LARGE POWER SERVICE

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the Contract Demand is not less than 5,000 kilowatts.

MONTHLY RATE

GENERATION

Customers who elect to purchase their electric generation requirements from the Company may do so under the provisions of either Rider No. 8 – Fixed Price Service or Rider No. 9 – Hourly Price Service and will be billed in accordance with the terms contained therein.

DISTRIBUTION

(C)

DEMAND CHARGES

First 5,000 kilowatts or less of Demand	\$30,555.00	(I)
Next 10,000 kilowatts of Demand	\$6.04 per kW	(I)
Additional kilowatts of Demand	\$5.89 per kW	(I)

ENERGY CHARGES

All kilowatt-hours	0.1100 cents per kWh	(D)
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ELECTRIC CHARGES

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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff. (C)

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier or service under Rider No. 8, the Company will supply electricity pursuant to Rider No. 9 – Hourly Price Service.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE L - LARGE POWER SERVICE - (Continued)MONTHLY RATE - (Continued)**UNTRANSFORMED SERVICE CREDIT**

Where the customer furnishes all necessary equipment to take untransformed service at 11,500 volts or higher, in strict accordance with the Company's standards and specifications, a credit of \$0.70 per kW based upon the individual demand of the untransformed circuit shall be applied to the customer's account. (D)(C)

MINIMUM CHARGE

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand for transmission and distribution and the Demand Charge as calculated under Rider No. 8 or Rider No. 9 for Company supplied generation. The Demand Charge shall be determined using the Distribution Charge, and the Transmission and Generation Charges associated with Company supplied transmission and generation, if any, but in total not less than the demand charges associated with the first 5,000 kW or less of demand.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND FOR DISTRIBUTION

(C)

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

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

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above, but not less than 70% of the Contract On-Peak Demand nor less than 5,000 kilowatts, whichever is the greater.

RATE L - LARGE POWER SERVICE - (Continued)STANDARD CONTRACT RIDERS

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

CONTRACT DEMAND

The Contract Demand is the maximum electrical capacity in kilowatts that the Company shall be required by the contract to deliver to the customer.

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

CONTRACT PROVISIONS

Contracts shall be written for an original term of not less than five years for Contract Demand of 100,000 kilowatts or less, and not less than ten years for Contract Demands in excess of 100,000 kilowatts. Effective on January 26, 1985, such contracts shall continue in force after the expiration of the original term until one year following the date of written notice of cancellation by either party. Such notice of cancellation may not be given earlier than one year before the expiration of the original term. (C)

When a customer takes delivery at 69 Kv or higher for delivery into its own electric system operated at either of such voltages, and has a Contract Demand of at least 100,000 kilowatts, the customer may apply for service at two or more delivery points interconnected by the customer's facilities. If the Company is satisfied that such multiple delivery points will protect the Company from substantial loss of load and otherwise will be consistent with operation of the Company's system, it will provide such multiple delivery points. In such case the various delivery points will be billed as if metered at one point, but the 5,000 kilowatt, 10,000 kilowatt and 25,000 kilowatt blocks of the Capacity Charge, and the 750,000 kilowatt-hour block of the Energy Charge, will be multiplied by the number of delivery points before the rates stated for them are applied.

The Company reserves the right to refuse contracts hereunder if, in its judgment, its generating or transmission capacity is no more than adequate to meet the requirements of its existing customers.

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 5,000 kilowatts if the customer remains on this rate.

RATE L - LARGE POWER SERVICE - (Continued)

VOLTAGE CONTROL PROVISION

The customer shall be required to operate his equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer.

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 PM and midnight, and in no case shall such fluctuations exceed 3%.
2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

RATE HVPS - HIGH VOLTAGE POWER SERVICE

AVAILABILITY

Available to customers with Contract On-Peak Demands greater than 30,000 kilowatts where service is supplied at 69,000 volts or higher.

MONTHLY RATE

GENERATION

Customers who elect to purchase their electric generation requirements from the Company may do so under the provisions of either Rider No. 8 – Fixed Price Service or Rider No. 9 – Hourly Price Service and will be billed in accordance with the terms contained therein.

DISTRIBUTION

(C)

DEMAND CHARGES

First 30,000 kilowatts or less of On-Peak Demand	\$9,114.90	(I)
Additional kilowatts of Demand	\$0.11 per kW	(I)

ELECTRIC CHARGES

(C)

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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the full Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier or service under Rider No. 8, the Company will supply electricity pursuant to Rider No. 9 – Hourly Price Service.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

MINIMUM CHARGE

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand for transmission and distribution and the Demand Charge as calculated under Rider No. 8 or Rider No. 9 for Company supplied generation. The Demand Charge shall be determined using the Distribution Charge, and the Transmission and Generation Charges associated with Company supplied transmission and generation, if any, but in total not less than the demand charges associated with the first 30,000 kW or less of demand.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND FOR DISTRIBUTION

(C)

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

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

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

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

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

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

ON-PEAK AND OFF-PEAK CONTRACT DEMAND – (Continued)

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

DEMANDS AND ENERGIES

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

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

The Billing Demand is the On-Peak Demand except where the Off-Peak Demand is more than three times the On-Peak Demand. Then the Billing Demand will be one-third (33 1/3%) of the Off-Peak Demand. Demands and energies will be determined on an individual demand basis and corresponding quantities will be combined to obtain demands and energies for billing purposes.

These demands will apply only for purposes of calculating the applicable transmission and distribution charges under this rate and do not apply to demand for electric generation.

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours:

Monday through Thursday
10:00 a.m. to 9:00 p.m.

Friday
10:00 a.m. to 5:00 p.m.

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this rate and upon filing same with the Pennsylvania Public Utility Commission, make such changes in the on-peak hours as it may from time to time deem necessary.

CONTRACT PROVISION

Contracts shall be written for an original term of not less than five years for Contract Demand of 100,000 kilowatts or less, and not less than ten years for Contract Demands in excess of 100,000 kilowatts. Such contracts shall continue in force after the expiration of the original term until one year following the date of written notice of cancellation by either party. Such notice of cancellation may not be given earlier than one year before the expiration of the original term.

The Company reserves the right to refuse contracts hereunder if, in its judgment, its generating or transmission capacity is no more than adequate to meet the requirements of its existing customers.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)**CONTRACT PROVISION – (Continued)**

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 30,000 kilowatts if the customer remains on this rate.

VOLTAGE CONTROL PROVISION

The customer shall be required to operate his equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer.

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 p.m. and midnight, and in no case shall such fluctuations exceed 3%.
2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

FACILITIES CHARGE

Customer must pay for all new or additional facilities installed on the premises with the exception of meters and metering equipment.

RATE AL - ARCHITECTURAL LIGHTING SERVICE

AVAILABILITY

Available for separately metered circuitry connected solely to outdoor architectural lighting equipment, with demand of 5 kilowatts or greater, to be operated during non-peak periods.

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge\$7.50 (D)

DEMAND CHARGES (C)

	<u>Distribution Charge</u> <u>\$ per kilowatt</u>	<u>Generation Charge</u> <u>\$ per kilowatt</u>	
All kilowatts of Demand	1.40	5.06	(I)

ENERGY CHARGES (C)

	<u>Distribution Charge</u> <u>cents per kilowatt-hour</u>	<u>Generation Charge</u> <u>cents per kilowatt-hour</u>	
First 300 kilowatt-hours	0.1991	7.1574	(D)
Additional kilowatt-hours	0.1991	1.7392	(D)

ELECTRIC CHARGES (C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)MONTHLY RATE - (Continued)**ELECTRIC CHARGES – (continued)**

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

MINIMUM CHARGE

The Minimum Charge shall be the Customer Distribution Charge.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

DETERMINATION OF DEMAND

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which may exceed 30 kilowatts will be adjusted for power factor by multiplying by

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

where such multiplier will be not less than 1.00 or more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above.

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

STANDARD CONTRACT RIDERS

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

SPECIAL TERMS AND CONDITIONS

1. The service must supply only non-essential lighting facilities installed for decorative purposes and is not applicable to security lighting or the lighting of streets, highways, parking lots or athletic fields.
2. The lights must be controlled by a device that limits the equipment to operation during dusk to dawn hours only.
3. Responsibility for the provision and maintenance of all equipment used in the decorative lighting will remain with the customer.
4. In the event of a system emergency, the Company reserves the right to curtail the usage under this rate.
5. The Company reserves the right to require payment of connection and disconnection costs when a customer requests seasonal service under this rate.

RATE SE - STREET LIGHTING ENERGY

AVAILABILITY

Available for the entire electric energy requirements of municipal street lighting systems where the municipality has not less than 15,000 street lamp installations and provides for the ownership, operation, and maintenance of its own street lamp installations and takes its entire energy requirements for street lighting under this rate.

MONTHLY RATE

DISTRIBUTION CHARGE (C)

Monthly charge per lamp\$3:17 (I)

GENERATION CHARGE (C)

All kilowatt-hours 3.8918 cents per kWh

ELECTRIC CHARGES (C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

(C) – Indicates Change (I) – Indicates Increase

RATE SE - STREET LIGHTING ENERGY - (Continued)

MONTHLY RATE - (Continued)

DETERMINATION OF ENERGY FOR BILLING PURPOSES

Series Street Lights

Applicable to the supply of series street lighting energy delivered to the street lighting fixtures at 7.5 amperes unless otherwise agreed upon.

The energy delivered or delivered and supplied each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 350 hours per month, which is the monthly average of the annual burning hours. The connected load on the primary side of the substation or pole-type constant current transformers will be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual transformers and ballasts, if any, and subject to values of circuit efficiency of 85 percent.

Multiple Street Lights

Applicable to the supply of multiple street lighting energy delivered to the street lighting fixtures at 120/240 volts unless otherwise agreed upon.

(a) For Standard Dusk to Dawn Operation Where the Customer Supplies Controls Approved by the Company. The energy delivered each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 350 hours per month, which is the monthly average of the annual burning hours. The connected load shall be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual ballasts, subject to power factor correction, if any.

(b) For Other than Standard Dusk to Dawn Operation. The energy delivered or delivered and supplied each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 730 hours per month or less as may be agreed upon. The connected load shall be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual ballasts, subject to power factor correction, if any.

CREDIT FOR OUTAGE

Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service and the customer will use reasonable diligence to protect the lighting system. In lieu of determination of the actual lamp-hour outages resulting from a failure of any light to burn for any reason, a deduction of 0.2% of the delivery charges or delivery and energy charges will be made on the monthly bill.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

RATE SE - STREET LIGHTING ENERGY - (Continued)MONTHLY RATE - (Continued)**LATE PAYMENT CHARGE**

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

(C)

SPECIAL PROVISIONS

1. Ballasts for multiple mercury vapor street lights, when installed by the customer, shall be power factor corrected, having a power factor of not less than 90 percent. For ballasts not so corrected, the wattage of each lamp plus ballasts shall be increased by the following ratio: 90% divided by the actual power factor, expressed in percent, of the lamp plus the ballast.
2. Series street lighting circuits will be energized and de-energized in accordance with an agreed upon schedule of burning hours, except where such circuits are controlled by photo electric cells. During other hours, circuits will not be energized except upon sufficient notice to the customer.
3. On all poles, except ornamental poles used exclusively for street lighting purposes, the Company will terminate its facilities at the bracket to which the lighting fixture is attached. On ornamental poles, used exclusively for street lighting purposes, the Company will terminate its facilities at the top of the pole if served from overhead circuits or at the bottom of the pole if served from the underground system.
4. The Company, to protect continuity of service, the general public, and the safety of men engaged in work on poles, reserves the right to install insulating transformers between the Company's circuit and the wiring of the customer's installation. Where insulating transformers are installed, charges will be made therefore as herein before specified.
5. The customer upon request shall supply the Company periodically, but not more often than at six month intervals, with certified tests made by the Electrical Testing Laboratories, Inc. of New York, or a similar accredited organization, showing the mean life input in watts for each size and type of lamp, and the wattage and power factor for each size and type of mercury vapor ballast used by the customer in street lamp installations served under this rate.
6. Energy will normally be supplied under this rate by overhead circuits, but if the Company is required to supply or the customer requests delivery service from underground facilities, the specified unit charges for underground facilities will apply.

RATE SE - STREET LIGHTING ENERGY - (Continued)

SPECIAL PROVISIONS – (Continued)

7. All installations, on and after July 1, 1969, of standard junction boxes used for street lighting service and of conduit and multiple service cable used exclusively for street lighting service will be installed, owned and maintained by the customer.

TERM OF CONTRACT

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

RATE SM - STREET LIGHTING MUNICIPAL

AVAILABILITY

Available for mercury vapor and high pressure sodium lighting of public streets, highways, bridges, parks and similar public places, for normal dusk to dawn operation of approximately 4,200 hours per year.

(Available for mercury vapor street lighting only where served prior to January 30, 1983, and continuously thereafter at the same location.)

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

Monthly Rate Per Unit

(C)

<u>Nominal Lamp Wattage</u>	<u>Nominal kWh Energy Usage per Unit per Month</u>	<u>Distribution Charge per Unit</u>	<u>Generation Charge per Unit</u>	
Mercury Vapor				
100	44	\$12.52	\$1.60	(I)
175	74	\$12.78	\$2.07	(D)
250	102	\$13.03	\$2.58	(D)
400	161	\$13.54	\$3.49	(D)
1,000	386	\$15.59	\$7.56	(D)
Sodium Vapor				
70	29	\$12.94	\$1.62	(I)
100	50	\$13.04	\$2.07	(D)
150	71	\$13.22	\$2.46	(D)
250	110	\$13.57	\$3.59	(D)
400	170	\$14.11	\$4.68	(D)
1,000	387	\$16.23	\$9.77	(D)

ELECTRIC CHARGES

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

RATE SM - STREET LIGHTING MUNICIPAL - (Continued)

MONTHLY RATE – (Continued)

ELECTRIC CHARGES – (Continued)

(C)

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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of \$10.26 for each pole required.

(C)

(I)

RATE SM - STREET LIGHT MUNICIPAL - (Continued)SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.
2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.
3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service, except that poles, ducts, conduits, manholes and junction boxes shall be the property of and maintained by the customer if they are an integral part of bridges, viaducts or similar structures, or highway project constructed by the joint participation of the customer and other governmental agencies.
4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

RATE SH - STREET LIGHTING HIGHWAY

AVAILABILITY

Available for high intensity discharge lighting of state highways for normal dusk to dawn operation of approximately 4,200 hours per year where the highway lighting system acceptable to Duquesne Light Company is installed by the State and ownership of the entire highway lighting system has been transferred to the Company for a nominal consideration.

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

Monthly Rate Per Unit

(C)

<u>Nominal Lamp Wattage</u>	<u>Nominal kWh Energy Usage per Unit per Month</u>	<u>Distribution Charge per Unit</u>	<u>Generation Charge per Unit</u>	
Sodium Vapor				
100	50	\$13.04	\$5.72	(I)
150	71	\$13.22	\$7.02	(I)
200	95	\$13.40	\$8.35	(I)
400	170	\$14.11	\$13.54	(I)

ELECTRIC CHARGES

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

RATE SH - STREET LIGHTING HIGHWAY - (Continued)**MONTHLY RATE - (Continued)****ELECTRIC CHARGES - (Continued)**

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

SPECIAL TERMS AND CONDITIONS

1. The above charges include operation, normal maintenance and replacement of the entire highway lighting system including conduit, cable, wire, ornamental poles, brackets, fixtures, lamps and photo electric controls.
2. Energy shall be supplied at a standard 120/240 or 230/460 volts from a single point or multiple points of supply satisfactory to the Company. Fixtures operating at higher voltages will not be acceptable.
3. The highway lighting system design shall include proper control devices to energize the system, such as individual photo electric controls.
4. If additional highway lighting is to be added to an existing highway lighting system, it shall be installed completely by the customer or the Company will install such facilities at the customer's expense with ownership transferred to the Company for a nominal consideration.
5. In accepting conduit, junction boxes, etc. installed by the State or other governmental agency in bridges, and bridge approaches, the Company accepts no liability for damage to concrete due to deteriorating conduit or junction boxes.

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

6. The State Department of Transportation or other governmental agency shall provide the necessary drawings of the entire highway lighting system to the Company specifying the type of equipment so that acceptability can be established before contracts are awarded.
7. The State Department of Transportation or other governmental agency shall furnish any requisite authority necessary to provide for the installation, operation and maintenance of the entire highway lighting system within the highway right-of-way including authority for equipment to stop on the paved portion of the highway.
8. Maintenance and/or replacement of poles and pole equipment in excess of 35 feet is not included, but will be maintained and/or replaced on a time and material basis by the Company. Charges for this will be reimbursed by the customer. All poles in excess of 35 feet high must be equipped with lowering device equipment so that the lighting equipment can be maintained from the ground.

TERM OF CONTRACT

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

RATE UMS – UNMETERED SERVICE

AVAILABILITY

Available to customers using unmetered standard service at each point of connection for customer-owned and maintained equipment such as traffic signals, communication devices and billboard lighting.

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge \$10.00 (I)

ENERGY CHARGES (C)

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
First 1,300 kilowatt-hours	2.5602	7.2530	(D)
Additional kilowatt-hours	2.5602	1.6954	(I)

ELECTRIC CHARGES (C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RATE UMS – UNMETERED SERVICE - (Continued)

MONTHLY RATE - (Continued)

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

SPECIAL TERMS AND CONDITIONS

Energy usage for customers using this service shall be estimated by the Company on the basis of equipment wattage and operating hours. The customer shall notify the Company whenever any change is made in the equipment or the operating hours, so that the Company may revise the estimated energy usage.

(C)

RATE PAL - PRIVATE AREA LIGHTING

AVAILABILITY

Available for high pressure sodium lighting and flood lighting of residential, commercial and industrial private property installations including parking lots, for normal dusk to dawn operation of approximately 4,200 hours per year.

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

DUQUESNE LIGHT COMPANY OWNED AND MAINTAINED EQUIPMENT

Monthly Rate Per Unit (C)

<u>Nominal Lamp Wattage</u>	<u>Nominal kWh Energy Usage per Unit per Month</u>	<u>Distribution Charge per Unit</u>	<u>Generation Charge per Unit</u>	
High Pressure Sodium				
70	29	\$12.94	\$1.62	(I)
100	50	\$13.04	\$2.07	(D)
150	71	\$13.22	\$2.45	(D)
250	110	\$13.57	\$3.58	(D)
400	170	\$14.11	\$4.67	(D)
Flood Lighting				
100	46	\$14.35	\$1.86	(I)
150	67	\$14.54	\$2.17	(D)
250	100	\$14.93	\$2.61	(D)
400	155	\$15.52	\$3.34	(D)

UNMETERED ENERGY FOR CUSTOMER OWNED AND MAINTAINED EQUIPMENT

70	29	\$3.17	\$1.27	(I)
100	46	\$3.17	\$2.02	(I)
150	67	\$3.17	\$2.93	(D)
250	100	\$3.17	\$4.37	(D)
400	155	\$3.17	\$6.78	(D)

(C) – Indicates Change

(I) – Indicates Increase

(D) – Indicates Decrease

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

RATE PAL - PRIVATE AREA LIGHTING - (Continued)**MONTHLY RATE - (Continued)****ELECTRIC CHARGES**

(C)

Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. The Generation Charge includes transmission ancillary services, line losses, the PJM surcharge per Rider No. 1 and the price of electricity. Transmission ancillary services include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses.

The 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 Provider of Last Resort Service from the Company. The Transmission Charges are included, for informational purposes, in Appendix A of this Tariff.

Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution Charge by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule No. 45.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above Distribution and Generation Charges.

Customers who choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule No. 20.1.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

POLES

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

(C) – Indicates Change

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

POLES – (Continued)

Where the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of \$10.26 for each pole required. (l)

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.
2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.
3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service.
5. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

(l) – Indicates Increase

STANDARD CONTRACT RIDERS**GENERAL**

In addition to the standard service as set forth under the rates filed with this Tariff, the Company, where practicable, will render certain special classes of service where desired by the customer and provided that the customer meets the necessary requirements for such special service. A special agreement, additional and supplemental to the regular contract under which standard service is rendered, will be made with a customer for *any of the special classes of service hereinafter indicated*. The terms, conditions and other considerations for such special classes of service are set forth in the following Standard Contract Riders. Notwithstanding anything to the contrary in the said contract contained, the terms of a rider shall continue in force as long as the said contract remains valid. All terms in said contract, except as modified in the rider or riders applicable to it, shall be and remain in full force and effect.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 1 - PJM SURCHARGE****(Applicable to All Rate Schedules)**

The PJM Surcharge is a pass-through of the charges incurred by the Company for start-up, grid management and *administrative costs associated with membership and operation in PJM. These charges are billed by PJM to each generation supplier and therefore, customers purchasing their electric generation requirements from an electric generation supplier will not be billed this surcharge by the Company.*

The charges incurred are beyond the control of the Company and can change from time to time.

A PJM Surcharge of 0.0708 cents per kWh shall be applied to all kWh for customers on Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, MTS and PAL who purchase their electric generation requirements from the Company. The PJM Surcharge shall remain fixed at 0.0708 cents/kWh for these Rate Schedules through December 31, 2007, and is included in the generation charges.

A PJM Surcharge of 0.0375 cents per kWh shall be applied to all kWh for customers on Rate Schedules GL, GLH, L and HVPS who purchase their electric generation requirements from the Company. The Surcharge applicable to Rate Schedules GL, GLH, L and HVPS will be adjusted annually to recover actual costs incurred by the Company and reconcile costs with revenues collected.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 2 - UNTRANSFORMED SERVICE

(Applicable to Rates GS/GM, GMH, GLH and GL)

Where customers take all or part of their electric service directly from the Company's available primary distribution or transmission systems, and furnish all necessary equipment to take untransformed service, in strict accordance with the Company's standards and specifications, a monthly reduction based upon the individual demand of such circuit shall be allowed as follows:

First 50 Kilowatts at	20.4 cents per Kilowatt
Next 550 Kilowatts at.....	13.3 cents per Kilowatt
Excess over 600 Kilowatts at.....	7.1 cents per Kilowatt

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 3 - SCHOOL AND GOVERNMENTAL SERVICE DISCOUNT PERIOD

(Applicable to Rates GS/GM, GMH, GLH, GL and L)

For public or parochial schools, or local, state or federal governments or public agencies thereof, a Late Payment Charge specified in the applicable rate will be added to the net amount for failure to make payment of Company charges within thirty days from the mailing date. For customers who purchase their electricity from an Electric Generation Supplier (EGS) and who have selected Consolidated Billing from the Company as defined in Rule 20.1, this rider shall apply to Company charges and to EGS charges if the EGS has provided authorization to accept the provisions of this rider.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 4 - BUDGET BILLING - HUD FINANCED MULTI-FAMILY HOUSING****(Applicable to Rates GS/GM, GL, GMH, and GLH)**

Budget billing for electric service is available to master metered multi-family housing and/or the metered service for common areas and common facilities for multi-family housing during the time that such housing is either owned by the Federal Department of Housing and Urban Development or subject to a first mortgage held or guaranteed by that agency.

At the option of the customer, the Company will make an estimate subject to revisions when conditions warrant, of the total charges for electric service to be billed hereunder for a twelve-month period. A budget bill for approximately one-twelfth of such estimate will be rendered monthly. For customers who purchase their electricity from an Electric Generation Supplier (EGS) and who have selected Consolidated Billing from the Company as defined in Rule 20.1, this rider shall apply to Company charges and to EGS charges if the EGS has provided authorization to accept the provisions of this rider. Any adjustment necessary in applying for the full period the actual charges herein established will be made on the final bill for the period. If the budget bill is unpaid when the next monthly bill is rendered, the budget arrangements for billing may be terminated by the Company.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 5 - TIME OF DAY DISCOUNTS**

**(Applicable to Rates GS/GM, GL and L and to Rates GMH and GLH
during the months of June, July, August and September only)**

Where a customer has a separately measured demand and is supplied by any standard service voltage and where such customer so operates that the maximum demand created during any billing period occurs during off-peak hours, the bills will be calculated using the Billing Demand defined below on the applicable rate and any other applicable riders.

CONTRACT DEMANDS

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the on-peak hours to the customer.

The Contract Off-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the off-peak hours to the customer. The customer's minimum Billing Demand shall be no lower than one-third (33 1/3%) of the customer's Contract Off-Peak Demand.

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

DEMANDS AND ENERGIES

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

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

Rates GL, GLH and L

For customers on Rates GL, GLH and L who purchase their electric generation requirements from the Company, the discounts available under the provisions of this rider will apply only to the demand charges billed for distribution. The demand charges billed for generation provided under Rider No. 8 or Rider No. 9 will not be impacted by this rider. For customers on Rates GL, GLH and L who purchase their electric generation requirements from an EGS, the discounts available under the provisions of this rider will apply only to the demand charges billed for distribution service.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 5 - TIME OF DAY DISCOUNTS - (Continued)**

(Applicable to Rates GS/GM, GL and L and to Rates GMH and GLH
during the months of June, July, August and September only)

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours:

Monday through Thursday
10:00 A.M. TO 9:00 P.M.

Friday
10:00 A.M. TO 5:00 P.M.

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this rider and upon filing same with the Pennsylvania Public Utility Commission, make such changes in the on-peak hours as it may from time to time deem necessary.

METER CHARGE

For all customers that apply for service on Rider No. 5, a meter charge of \$24.00 will be added to the customer's monthly bill. (I)(D)

CONTRACT PROVISIONS

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

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 6 - TEMPORARY SERVICE

(Applicable to Rate GS/GM only)

Where a customer desires service of a temporary nature for periods of less than 30 days, the Company will:

1. Charge in advance for the estimated cost of installing and removing the necessary facilities to furnish such service.
2. Estimate the demand and the consumption requirements from the connected load and the number of days during which electric service is to be used, but in no case less than six (6) days.
3. Estimate the charges (fixed, demand and energy) in accordance with the provisions of the applicable rate.
4. Require the customer to make a deposit in the amount of the estimated charges under the applicable rate. Unless otherwise instructed at the time of deposit, the Company will deliver and supply electricity at the charges of the applicable rate.
5. Refund said deposit less the amount of the bill due the Company upon surrender of the deposit receipt by the customer.

STANDARD CONTRACT RIDERS – (Continued)**RIDER NO. 7 – SECA CHARGE****(Applicable to the Transmission Charges in All Rate Schedules)**

The Seams Elimination Charge Adjustment ("SECA") Charge billed under this Rider is a pass-through of all charges incurred by the Company that are imposed by the PJM Interconnection, Inc. ("PJM") under its Open Access Transmission Tariff related to the elimination of Regional Through and Out Rates ("RTORs") for transmission service within PJM as it is presently constituted, including the Duquesne zone, and for transmission service between PJM and the Midwest Independent Transmission System Operator ("SECA Charges"). SECA Charges include all costs associated with the elimination of RTORs, including any related increases in transmission rates imposed by PJM on the Company.

The SECA Charge billed under this Rider shall be \$0.001557 per kWh, and it shall apply to all customers who purchase their electric transmission requirements from the Company.

The SECA Charge billed under this Rider shall be subject to reconciliation. Amounts billed to customers under the SECA Charge will be reconciled against actual SECA Charges paid by the Company and subject to Commission audit.

The SECA Charge billed under this Rider will remain in effect until the level of SECA Charges paid by the Company has been fully recovered, at which time the SECA Charge billed under this Rider will terminate, subject to any final reconciliation required due to final resolutions of litigation. If the SECA Charge billed under this Rider recovers more than the level of SECA Charges actually incurred by the Company, the Company will terminate the SECA Charge billed under this Rider and submit a plan of refund to the Commission for its approval.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – FIXED PRICE SERVICE

(Applicable to Rate Schedules GL, GLH, L and HVPS)

Fixed price service provides large commercial and industrial customers with annual price stability for generation, but reflects the competitive market through determination of the generation charges based on a request for proposal to acquire the energy to serve the load of customers taking service under the provisions of this rider.

MONTHLY RATE**DEMAND CHARGES (effective June 1, 2006, through May 31, 2007)**

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
\$ per kW per day	\$0.0056	\$0.0056	\$0.0056	\$0.0056

The Demand Charges will be applied to the customers Demand described below and will be based on the number of days in the billing cycle during which service is provided.

ENERGY CHARGES**7th Price Application Period (effective June 1, 2006, through May 31, 2007)**

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	11.4018	11.2356	11.0693	10.6196
Off-peak cents per kilowatt-hour	6.4270	6.2703	6.1749	5.8481

8th Price Application Period (effective September 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	11.1027	10.9371	10.7750	10.3327
Off-peak cents per kilowatt-hour	6.2651	6.1086	6.0156	5.6928

9th Price Application Period (effective December 1, 2006, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	10.6750	10.5101	10.3542	9.9224
Off-peak cents per kilowatt-hour	6.0336	5.8776	5.7878	5.4707

10th Price Application Period (effective March 1, 2007, through May 31, 2007)

	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>
On-peak cents per kilowatt-hour	See Below	See Below	See Below	See Below
Off-peak cents per kilowatt-hour	See Below	See Below	See Below	See Below

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 8 – FIXED PRICE SERVICE – (Continued)****(Applicable to Rate Schedules GL, GLH, L and HVPS)****MONTHLY RATE – (Continued)****APPLICATION PERIODS, AVAILABILITY AND QUARTERLY UPDATES**

The Company will supply generation service under this rider by obtaining the requirements from suppliers through a competitive procurement process using a request for proposal. The charges for electric generation calculated pursuant to the request for proposal for service under this rider will be effective from June 1, 2006 through May 31, 2007. The above charges include the price of electricity, transmission related ancillary services, line losses and the applicable Rider No. 1 PJM Surcharge. Ancillary services include but are not limited to reactive power service, regulation and frequency control service, spinning reserve service and operating reserves. Losses include transmission line losses and distribution line losses.

Beginning September 1, 2006, the Company will update the rates for the Energy Charges on a quarterly basis. The updated rates will be based on the lowest new price(s) available from the winning suppliers in the request for proposal conducted in May 2006 for the 12-month supply period of June 1, 2006, through May 31, 2007. In the month prior to the beginning of each Price Application Period, the Company will file new Energy Charges with the Commission for the subsequent Price Application Period, and upon Commission approval, these charges shall become effective on the first day of the following month. These Energy Charges shall apply to customers who elect FPS service during that Price Application Period when the charges became effective. All subsequent Price Application Period Energy Charges shall remain in effect through May 31, 2007. The Energy Charges that apply to a customer will depend on when the customer elects FPS service. Service at the updated rates will be available to those customers who did not select service under Rider No. 8 on or before May 31, 2006, and who had previously purchased their electric generation requirements from an EGS, or who had previously taken service under the Company's Rider No. 9, or who took service pursuant to contracts under Rule No. 4 of this tariff. Customers who return to POLR service without prior notification to the Company or who fail to elect service under Rider No. 8 will automatically be assigned to Rider No. 9.

Customers electing service under Rider No. 8 on or before August 31, 2006, will be billed the charges stated for the seventh Price Application Period based on the rates resulting from the request for proposal for service provided from June 1, 2006, through May 31, 2007. Thereafter, the Company will determine the applicable Energy Charges under Rider No. 8 based on the Price Application Period in which the customer notifies the Company to elect taking service under Rider No. 8. Customers electing service under Rider No. 8 after August 31, 2006, but prior to December 1, 2006, will be billed the charges stated for the eighth price application period. Customers electing service under Rider No. 8 after November 30, 2006, but prior to March 1, 2007, will be billed the charges stated for the ninth price application period. Customers electing service under Rider No. 8 after February 28, 2007, but prior to May 31, 2007, will be billed the charges stated for the tenth price application period. The Demand Charges in this rider will not be updated.

Service under this Rider No. 8 shall commence in accordance with the switching protocols in Rule 45.1. Customers may switch from Rider No. 8 to an EGS or to Rider No. 9 but may be subject to a Generation Rate Adjustment (GRA) as defined in Rider No. 23.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 8 – FIXED PRICE SERVICE – (Continued)****(Applicable to Rate Schedules GL, GLH, L and HVPS)****DETERMINATION OF DEMAND**

Billing Demand subject to the Demand Charges in this rider will be the customer's share of the Company's capacity obligation determined by PJM. The Company's capacity obligation will be calculated by PJM based on the Company's peak system load and will be the basis for the capacity obligation for the following calendar year.

In determining the customer's share of the capacity obligation, the Company will calculate the customer's peak load contribution. The peak load contribution is based on the customer's load coincident with the peak hour of the five peak days of the year as determined by PJM. The customer load in each of these five hours, adjusted for the Company's transmission and distribution line losses and the customer's share of unaccounted for energy will be averaged to calculate the customer's peak load contribution. The customer will receive a credit for their participation, if any, in PJM Active Load Management (ALM) programs, as determined solely by PJM. The peak load contribution less ALM credits will be used to determine the customer's share of the Company's capacity obligation. The Company will adjust the customer's capacity obligation from time to time throughout the calendar year as PJM adjusts the Company's capacity obligation.

This capacity obligation will be calculated without consideration of the price application period during which the customer elects to take service under Rider No. 8.

NOTIFICATION AND ELECTION OF SERVICE

The Company will post the Monthly Rates for the seventh Price Application Period on the Company's customer choice website at www.customer-choice.com. Updated rates for the Energy Charges for each subsequent Price Application Period will be posted on the Company's customer choice website.

Customers will be requested to notify the Company of their election to take service under this rider. Customers who make no election will default to POLR service under Rider No. 9. Unless otherwise instructed, customers taking service pursuant to Rider No. 8 on May 31, 2007, will default to POLR service under Rider No. 9 effective 11:59:59 PM Eastern Prevailing Time (EPT) May 31, 2007. Rider No. 8 rates will terminate effective May 31, 2007, at 11:59:59 PM EPT.

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours applicable to the Energy Charges:

Monday through Friday 7:00 a.m. to 11:00 p.m.

The remaining hours, including generally observed holidays defined by the North American Electric Reliability Council (NERC), i.e., New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, shall be designated as off-peak hours.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 – HOURLY PRICE SERVICE

(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)

Hourly price service provides large commercial and industrial customers with the ability to purchase their electric generation requirements on an hourly basis. Beginning January 1, 2005, the Company will supply generation under this rider by obtaining the requirements through the PJM market. This rider is also available for the supply of electricity to generating stations that are not otherwise self-supplying and where the generating station is not otherwise receiving service from an EGS. Metering equipment must be installed at the generating station at the expense of the customer.

MONTHLY CHARGES

Energy charges are hourly and provided at the real-time PJM locational marginal price based on the customer's hourly load, plus energy-related ancillary services including PJM administrative charges, adjusted for losses, plus a retail margin. Capacity charges are daily and based on the PJM daily capacity market and shall recover the charges associated with the customer's share of the Company's capacity obligation assigned by PJM, plus cost based ancillary services. Energy and capacity charges will be calculated using the following formula and adjusted for the Pennsylvania Gross Receipts Tax (GRT) in effect.

$$\sum_{t=StartHour}^{EndHour} [(L_t * (1 + ADJ_t)) * (LMP_t + SR_t + OR_t + REG_t + SCN_t + Loss_t + SLA) + L_t * (PJM_s + FRA)] +$$

$$\sum_{D=StartDay}^{EndDay} [(CO_D * CChg_D) + NPLG_D * (R_D + B_D)] +$$

$$CO_D * DefChg$$

Where:

t = Particular clock hour in the Billing Period from start hour to end hour for energy charges.

D = Particular day in the Billing Period from start day to end day for capacity charges.

Customer LoadL_t = Hourly load of the customer measured in MW.ADJ_t = Adjustments to the customer load at the retail meter using the same methodology used to determine the hourly load obligations of a customer served by an EGS pursuant to Duquesne's Supplier Coordination Tariff. The hourly load adjustments shall be the sum of the percentage distribution and transmission (if applicable) losses of the applicable schedule as specified in Duquesne's Supplier Coordination Tariff.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 9 – HOURLY PRICE SERVICE – (Continued)****(Applicable to Rate Schedules GL, GLH, L and HVPS and Generating Station Service)****MONTHLY CHARGES – (Continued)****Energy Charges**

LMP_t = Real-time hourly locational marginal price (LMP) in \$/MWH for the Duquesne Zone or Duquesne Residual Zone as applicable.

PJM Ancillary Service Charges and Other PJM Charges

SR_t = Hourly spinning reserve charge in \$/MWH as calculated by PJM for supporting the customer's load.

OR_t = Hourly real-time operating reserve (supplemental) charge in \$/MWH as calculated by PJM for supporting the customer's load.

REG_t = Hourly regulation charge in \$/MWH as calculated by PJM for supporting the customer's load.

SCN_t = Synchronous Condensing Charge in \$/MWH for supporting the customer's load if this charge is billed separately by PJM to the Company.

Loss_t = Hourly marginal transmission losses in \$/MWH (if applicable) to the customer's load in PJM. This \$/MWH charge will be calculated by PJM for energy delivered to the Duquesne Zone. This charge shall be set to \$0/MWh until such time PJM implements marginal transmission losses.

S1A = PJM Schedule 1A rate in \$/MWH applicable to the Duquesne Zone.

PJM₅ = PJM Surcharge as described in Rider No. 1 in \$/MWH.

R_D = Reactive supply service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 2.

B_D = Blackstart service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 6A.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 9 – HOURLY PRICE SERVICE – (Continued)**

(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)

MONTHLY CHARGES – (Continued)**Retail Margin**

FRA = The Company's fixed retail adder applicable to each rate schedule as follows.

Rate Schedule	FRA
GL	\$4.89/MWH
GLH	\$3.52/MWH
L	\$3.41/MWH
HVPS	\$1.70/MWH

Customer's Capacity Obligation and Network Service Peak LoadCO_D = Capacity Obligation in MW for each day associated with supporting the customer's load as described in the section "Determination of Capacity Obligation".NPLC_D = The customer's daily network service coincident peak load contribution in MW. This quantity is determined based on the customer's load coincident with the annual peak of the Duquesne Zone (single coincident peak) as defined in the PJM Tariff Section 34.1.**Capacity Charges**CChg_D = The demand charge in \$/MW-day as determined from the PJM daily capacity market.

DefChg = Any capacity deficiency charges in \$/MW. Should the PJM daily capacity market be in deficiency at any time during the period in which the customer is taking service under Rider No. 9, then DefChg shall be set at the rate necessary to recover all deficiency charges assessed by PJM for those customers taking service under Rider No. 9 at the time of the capacity deficiency.

PJM bills these charges to the Company as a function of the load measured in megawatts (MW) and expresses these charges as \$/MW, \$/MWH and \$/MW-day. The Company measures the customer's load and energy usage in kilowatts (kW) and will convert the above charges to \$/kW, \$/kWh and \$/kW-day for the purposes of computing the customer's monthly bill.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 9 – HOURLY PRICE SERVICE – (Continued)****(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)****LOCATIONAL MARGINAL PRICE**

The "Duquesne Zone" is the PJM-defined area encompassing the franchised service territory of the Duquesne Light Company. The pricing for the Duquesne Zone contains every transmission load bus on the Company's system. PJM will determine the locational marginal price for the Duquesne Zone and an hourly nodal locational marginal price for each load bus. Load Serving Entities (LSE's) and wholesale transmission customers have the option of electing energy settlement at the hourly nodal prices.

The "Duquesne Residual Zone" is the pricing zone determined by PJM in the event that LSE's or other wholesale transmission customers in the Duquesne Zone elect settlement based on nodal locational marginal energy prices. In such event the Duquesne Zone locational marginal price will be replaced by the Duquesne Residual Zone locational marginal price and:

- (i) the pricing for such zone will be calculated by PJM using a load-weighted average of the nodal locational marginal prices of all load buses within the Duquesne Zone, but excluding from such calculation the weighting at the respective nodal prices of the load served by LSE's or other wholesale transmission customers who have elected nodal settlement; and
- (ii) settlement for all LSE's and wholesale transmission customers in the Duquesne Zone that have not elected nodal settlement, will have their load obligations settled on an hourly day-ahead, hourly real-time or other periodic basis at the respective PJM-determined price for the Duquesne Residual Zone for such period.

DETERMINATION OF CAPACITY OBLIGATION

The capacity obligation subject to the Demand Charges in this rider will be the customer's share of the Company's capacity obligation determined by PJM. The Company's capacity obligation will be calculated by PJM based on the Company's peak system load and will be the basis for the capacity obligation for the following calendar year.

In determining the customer's share of the capacity obligation, the Company will calculate the customer's peak load contribution. The peak load contribution is based on the customer's load coincident with the peak hour of the five peak days as determined by PJM. The customer load in each of these five hours, adjusted for the Company's transmission and distribution line losses and the customer's share of unaccounted for energy will be averaged to calculate the customer's peak load contribution. The customer will receive a credit for their participation, if any, in PJM Active Load Management (ALM) programs, as determined solely by PJM. The peak load contribution less ALM credits will be used to determine the customer's share of the Company's capacity obligation. The Company will adjust the customer's capacity obligation from time to time throughout the calendar year as PJM adjusts the Company's capacity obligation.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 – HOURLY PRICE SERVICE – (Continued)

(Applicable to Rates GL, GLH, L and HVPS and Generating Station Service)

NOTIFICATION AND ELECTION OF SERVICE

Customers may elect to purchase their generation requirements through this rider at any time according to the requirements of Rule No. 45. Customers that do not elect service with an EGS or do not elect POLR Fixed Price Service under Rider No. 8 will default to hourly price service under this rider.

(C)

GENERAL

The Generation Charges are intended to recover the market costs of providing POLR service to customers in PJM as these costs may change or be redefined from time to time. The Generation Charges shall be calculated using the formula and prices referenced above. The formula is subject to change at any time, as PJM rules, charges or market parameters change. The Company will seek Commission approval for modifications to the formula in this rider.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 10 - STATE TAX ADJUSTMENT*(Applicable to All Rates)*

In addition to the charges provided in this Tariff, a two-part surcharge will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly. (C)

Part 1 of the surcharge, at a rate of (0.1614%) will include Capital Stock Tax, Corporate Net Income Tax, and Public Utility Realty Tax, which will be applied to the distribution charges of customer bills. (D)

Part 2 of the surcharge, at a rate of 0.1277% will include Gross Receipts Tax and will be applied to all portions of customer bills. (I)

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the *recomputation shall take into account the changed tax rate.*
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On December 22, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 11 - STREET RAILWAY SERVICE

(Applicable to Rates GS/GM and GL)

Where service is supplied at 11,500 volts or higher at two or more interconnected points of delivery to any street railway system for the purpose of conversion to direct current energy for the operation of such system, the Billing Demand in kilowatts of such service for distribution and generation charges, if purchased from the Company, shall be reduced by 7.20% for Rate GS/GM customers and 7.25% for Rate GL customers for the purpose of computation of the delivery charges of the bill under the applicable rate and any other applicable rider.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 12 - BILLING OPTION FOR VOLUNTEER FIRE COMPANIES AND NONPROFIT SENIOR CITIZEN CENTERS****(Applicable to Rates GS/GM, and GMH)**

Upon application, Volunteer Fire Companies, Nonprofit Senior Citizen Centers, Nonprofit Rescue Squads and Nonprofit Ambulance Services may elect to have electric service billed at the pricing of Rate RS or Rate RH provided that the customer satisfies the space heating requirements stated in the availability clause of Rate RH.

Contracts will be for a period of not less than one (1) year.

DEFINITIONS

VOLUNTEER FIRE COMPANY - A separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The sole use of electric service at this service location shall be to support the activities of the volunteer fire company. Any fund raising activities at this service location must be used solely to support volunteer fire fighting operations.

The customer of record at this service location must be a predominately volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

NONPROFIT SENIOR CITIZEN CENTER - A separately metered service location consisting of a facility for the sole use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided.

The customer of record at this service location must be an organization recognized by the Internal Revenue Service (IRS) as nonprofit and recognized by the Department of Aging as an operator of a senior citizen center.

NONPROFIT RESCUE SQUAD - A separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment, or a facility that is recognized by PEMA and the Pennsylvania Department of Health as a provider of rescue services. The sole use of electric service at this service location shall be to support the activities of the nonprofit rescue squad. Any fund raising activities at this service location must be used solely to support nonprofit rescue operations.

The customer of record at this service location must be an organization recognized by the IRS as nonprofit.

NONPROFIT AMBULANCE SERVICE - A separately metered service location consisting of a building, sirens, a garage for housing vehicular ambulance equipment, or a facility that is certified by the Pennsylvania Department of Health as a provider of ambulance services. The sole use of electric service at this service location shall be to support the activities of the nonprofit rescue squad. Any fund raising activities at this service location must be used solely to support nonprofit rescue operations.

The customer of record at this service location must be an organization recognized by the IRS as nonprofit.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - GENERAL SERVICE SEPARATELY METERED ELECTRIC SPACE HEATING SERVICE

(Applicable to Rate GS/GM)

AVAILABILITY

Available for separately metered circuitry connected to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors, system fans, pumps and controls except where the customer uses the Company's service for water heating, then water heating may also be included on the circuit. The space heating service may be provided at the same voltage as other electric service.

MONTHLY RATE

ENERGY CHARGES

(C)

For the billing months of November through April:

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
All kilowatt-hours	0.8323	3.4824	(I)

For the billing months of May through October:

Rate GS/GM will apply.

METER CHARGE \$13.21 per month (I)

The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow the isolation and metering of the electric space heating system.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 14 - RESIDENTIAL SERVICE SEPARATELY METERED ELECTRIC SPACE AND WATER HEATING

(Applicable to Rate RS)

AVAILABILITY

Available for separately metered circuitry connected solely to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors and system fans, pumps and controls comprising the customer's entire space heating system except where the customer uses the Company's service for water heating, then water heating equipment may also be included on the circuit.

MONTHLY RATE

ENERGY CHARGES

(C)

For the billing months of November through April:

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour	
All kilowatt-hours	2.1912	2.6133	(I)

For the billing months of May through October:

Rate RS will apply. (C)

METER CHARGE\$1.63 per month (I)

SPECIAL TERMS AND CONDITIONS

1. Space heating equipment must be permanently installed, thermostatically controlled and approved by the Company.
2. The customer must use the Company's standard low voltage service as the sole primary method of space heating except that the space heating system may be supplemented with renewable energy sources such as solar, wind, wood or hydro. Any alternate energy source may be used to supplement an add-on heat pump.
3. The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow isolation and metering of the electric space heating system and water heating equipment.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 14 - RESIDENTIAL SERVICE SEPARATELY METERED ELECTRIC SPACE AND WATER
HEATING

- (Continued)

(Applicable to Rate RS)

SPECIAL TERMS AND CONDITIONS – (Continued)

4. The Company reserves the right to inspect at all reasonable times the customer's circuitry to determine that the load served under the terms of this rider is created by the equipment defined herein.
5. If the Company finds, in its sole judgment, that the conditions of this rider are being violated, it may discontinue application of the rider and bill all usage pursuant to Rate RH.

STANDARD CONTRACT RIDERS - (Continued)

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STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SERVICE TO NON-UTILITY GENERATING FACILITIES

(C)

(Applicable to all General Service Rates)

The following applies to non-utility generating facilities including, but not limited to cogeneration and small power production facilities that are qualified in accord with Part 292 of Chapter I, Title 18, Code of Federal Regulations (qualifying facility). Electric energy will be delivered to a non-utility generating facility in accord with the following:

A. DEFINITIONS

Supplementary Power is electric energy supplied by the Company or by an Electric Generation Supplier (EGS) to a non-utility generating facility and regularly used in addition to that electric energy which the non-utility generating facility generates itself. The Company's regular and appropriate General Service Rates will be utilized for billing for Supplementary Power. Customers purchasing Supplementary Power from an EGS will be billed for charges according to their applicable rate and billing arrangement with their EGS.

Back-Up Power is defined electric energy supplied by the Company to a non-utility generating facility during any outage of the non-utility generating facility's electric generating equipment to replace electric energy ordinarily generated by the non-utility generating facility's generating equipment.

(C)

Base Period is the twelve consecutive monthly billing periods applicable to the customer ending one month prior to the installation of new on-site generation or increase in capacity to existing on-site generation.

(C)

Contract Demand is the maximum electrical capacity in kilowatts that the Company shall be required by the contract to deliver to the customer for back-up service to the customer's generating facility.

Distribution Billing Determinants are the monthly billing period billing demand in kilowatts (kW) and the energy usage in kilowatt-hours (kWh) for Supplementary Power during the current billing month under which the on-site generation is operable.

Distribution Base Period Billing Determinants are the billing demand (kW) and the energy usage (kWh) for the month in the Base Period corresponding to the current billing month under which the on-site generation is operable. For new customers, the Company will use existing procedures to estimate Base Period Billing Determinants.

Generation Billing Determinants for customers on Rate Schedules GL, GLH, L and HVPS are the billing demand (kW) and energy usage (kWh) during the current billing month then in effect under Rider No. 8 or Rider No. 9, depending on which generation service the customer has elected. Generation Billing Determinants for customers on Rate Schedule GS/GM and GMH shall be the same as those defined above for Distribution.

(C) – Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(C)

(Applicable to all General Service Rates)

B. BACK-UP POWER

The Company will supply such service each month at the following rates:

DISTRIBUTION

Contract Demand of 5,000 kW or more	\$6.04 per kW, but no less than \$1,405.00	(I)
Contract Demand of less than 5,000 kW	\$6.45 per kW, but no less than \$185.00	(I)

The distribution charges will be applied in each month based on the customer's Contract Demand without regard to whether or not back-up energy is supplied.

GENERATION

In any month that the Company provides energy to back up the customer's equipment, generation service shall be supplied and billed under either Rider No. 8 or Rider No. 9 for customers with Contract Demand of 300 kW or more. For customers having Contract Demand of less than 300 kW, the Company will bill the applicable generation demand and energy charges then in effect under Rate Schedule GS/GM.

The use of backup power at this price level will be limited to 15% usage for all hours in a year. Incremental usage above this limit will be billed on the applicable general service rates, including all ratchets applicable.

If a customer's actual kW demand at the time back-up is being supplied exceeds the customer's back-up Contract Demand by 5% or more, the actual kW demand as established will become the customer's new back-up Contract Demand for the remaining term of the back-up contract. If a customer's actual kW demand at the time back-up service is being supplied exceeds the customer's back-up Contract Demand by 10% or more, the customer will be assessed a fee determined by the difference between the actual demand established when back-up service is being supplied and the back-up Contract Demand multiplied by two times the applicable charge per kilowatt.

C. INTERCONNECTION

Each non-utility generating facility will be required to install at its expense or pay in advance to have the Company install interconnection equipment and facilities which are over and above that equipment and facilities required to provide electric service to the non-utility generating facility according to the Company's General Service Rates, except as noted below. Any such equipment to be installed by the non-utility generating facility must be reviewed and approved in writing by the Company prior to installation. Nothing in this Rider shall exempt a new customer from the application of Rule No. 7 and Rule No. 9 regarding Supply Line Extensions and Relocation of Facilities.

However, customers may elect to pay the cost of existing or newly required transformation equipment that is over and above that equipment necessary for the Company to supply the customer with its contracted Supplemental Power via a monthly charge rather than in total at the onset of the contract. The monthly charge for transformation equipment for customers with contract demand under this rider of 5,000 kW or more will be determined by the Company on a case-by-case basis. For all others, the rate of \$0.2523 per kW per month will apply.

(C) – Indicates Change

(I) – Indicates Increase

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 17 - EMERGENCY ENERGY CONSERVATION****(Applicable to Rates GL, GLH, L, and HVPS)****PURPOSE**

This rider is applicable in conjunction with Tariff Rule No. 39.2, relating to Emergency Energy Conservation. It provides for deviation from and modifications to the charges and practices otherwise applicable to certain customers as a result of compliance with or noncompliance with energy conservation curtailment levels requested or ordered under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation.

APPLICABILITY

Applicable progressively in the following order of priority as required by the need for curtailment to meet conditions resulting from actual or potential shortage of fuel for electric generation:

1. To individual electric customer accounts served under Rates L and HVPS with recorded demand of 5,000 kW or higher in a recent 12-month period prior to the request of or order for emergency energy conservation.
2. To individual electric customer accounts served under Rates GL and GLH with recorded demand of 300 kW or higher in a recent 12-month period prior to the request of or order for emergency energy conservation.

Customers designated as exempt in the procedures for emergency energy conservation filed in accord with Tariff Rule No. 39.2 or by the Pennsylvania Public Utility Commission will be exempt from the provisions of this rider.

DEFINITIONS

1. **Base Period Energy Use** - The base energy use for a weekly period shall be determined by the Company for each applicable electric customer account based upon a consideration of the customer's actual past or current electric consumption and the customer's existing operation.
2. **Mandatory Curtailment Energy Use Level Target** - The Mandatory Curtailment Energy Use Level Target for each applicable customer shall be that percentage of base period energy use ordered pursuant to the emergency energy conservation procedures provided by Tariff Rule No. 39.2 or other percentage as a result of the order of appropriate governmental authority.
3. **Current Energy Use** - Current period use will be monitored on a weekly basis commencing on the date the emergency is declared.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 17 - EMERGENCY ENERGY CONSERVATION - (Continued)

(Applicable to Rates GL, GLH, L, and HVPS)

DEFINITIONS - (Continued)

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

In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

A customer may arrange with the utility for mutually acceptable methods for achieving the mandatory curtailment energy use level target, as long as the customer, in total, meets the curtailment target.

BILLING

During the period of emergency energy conservation condition, billing will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and historical or Contract Demand or ratchet provisions and will be billed instead on the basis of current consumption and demand whenever the normal calculation method would produce a greater bill.

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

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 18 - RATE FOR PURCHASE OF ELECTRIC ENERGY FROM
CUSTOMER-OWNED RENEWABLE RESOURCES GENERATING FACILITIES**

The Company will purchase electric energy from customer-owned generating facilities that: (1) are "qualifying small power production facilities" as defined in Subpart B - Qualifying Cogeneration and Small Power Production Facilities, of Part 292 of Subchapter K of Chapter 1, Title 18, Code of Federal Regulations ("facility"); (2) are located in the Company's service area; (3) use as the energy source renewable resources such as small scale hydro facilities of 30 megawatts or less, biomass, waste, solar or wind; and (4) meet one of the following three criteria:

- (a) are subject to a contract dated prior to August 25, 1987, and are supplying electric energy, or have commenced construction of facilities to supply electric energy within sixty (60) day of August 25, 1987.
- (b) are supplying electric energy to the Company under the terms of this rider on or before August 25, 1987, but are not subject to an executed contract.
- (c) have been negotiating with the Company for a contract and it is determined that the project has been the subject of serious negotiations prior to August 25, 1987.

The electric energy will be purchased, as available, from such facilities at the rate of six (6) cents per kilowatt-hour, or at a rate based on the Company's avoided costs when such costs exceed six (6) cents per kilowatt-hour. For facilities that do not qualify under the provisions of this rider, electric energy will be purchased at a rate based on the Company's avoided costs as calculated in accordance with the applicable PA. P.U.C. regulations. Payment will be made monthly for the electric energy received from the facility in the preceding month.

Each facility will be required to install at its expense, or to have the Company install at the customer's expense, interconnection equipment and facilities including metering, protection and controls. All such interconnection equipment and facilities must be reviewed and approved in writing by the Company prior to installation.

The owner of each facility will be solely responsible for the operation, maintenance and repair of such facility.

The Company shall not be liable for damage to the facility which may result from its interconnection with the Company's facilities.

Purchase of electric energy under this rider shall be subject to all applicable Rules and Regulations of the Company's Electric Service Tariff, such Rules and Regulations to be read and interpreted, generally, with the word "purchase" substituted for the word "supply" or the word "service" where appropriate to reflect the application of the Rules and Regulations to the purchase rather than the sale of electric energy. (C)

The Company reserves the right to require a written contract covering the purchase of electric energy for each facility.

STANDARD CONTRACT RIDERS - (CONTINUED)

RIDER NO. 19 - OFF-PEAK WATER HEATING SERVICE

(Applicable to Rates RS, RH, RA and GS/GM)

AVAILABILITY

Available to customers on the applicable rates utilizing electric storage water heaters equipped with timing devices that control water heating to defined off-peak hours as the sole source of water heating.

MONTHLY RATE

ENERGY CHARGE

All kilowatt-hours of water heating usage at4.58 cents per kWh (I)

The energy charge per kilowatt-hour of water heating usage shall be revised annually each March 1st to reflect the average PJM Duquesne Zone off-peak price for the preceding calendar year, adjusted for transmission and distribution line losses and the Rider No. 1 – PJM Surcharge. (C)

DETERMINATION OF MONTHLY WATER HEATING USAGE

For customers who have installed a storage water heating system that limits water heating to the defined off-peak hours specified and stores hot water for use during on-peak periods, the monthly water heating usage will be determined based upon the heating unit capacities as follows and subject to the limitation listed below:

<u>Unit Capacity</u>	<u>Monthly Water Heating Allowance</u>
30 to 39 gallons	Next 150 kWh of usage after the first 200 kWh
40 to 59 gallons	Next 200 kWh of usage after the first 200 kWh
60 to 99 gallons	Next 300 kWh of usage after the first 200 kWh
100 to 119 gallons	Next 400 kWh of usage after the first 200 kWh
120 gallons or greater	Next 500 kWh of usage after the first 200 kWh

(I) – Indicates Increase

(C) – Indicates Change

STANDARD CONTRACT RIDERS (Continued)

RIDER NO. 19 - OFF-PEAK WATER HEATING SERVICE- (Continued)

(Applicable to Rates RS, RH, RA and GS/GM)

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours:

Monday through Friday
10:00 A.M. TO 9:00 P.M.

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this rider and upon filing same with the Pennsylvania Public Utility Commission, make such changes in the on-peak hours as it may from time to time deem necessary.

SPECIAL TERMS AND CONDITIONS

To be eligible for this rider, the customer must agree to the following terms and conditions:

1. The electric storage water heaters must be approved by the Company as capable of meeting the usage control requirements of this rider.
2. The Company reserves the right to inspect at all reasonable times the energy storage and usage control devices that qualify the customer for this rider and to ascertain by any reasonable means that the time differentiated load characteristics of such devices meet Company specifications.
3. If the Company finds that in its sole judgment the conditions of this rider are being violated, it may discontinue billing the customer under the provisions of this rider and all usage will be billed at the applicable rate.

PROVISIONS UNDER DIRECT ACCESS

For customers purchasing their electric generation from an EGS, the customer will be billed the Distribution Charges of the applicable rate based on energy consumption net of the water heating allowance.

(C)

(C) – Indicates Change

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

STANDARD CONTRACT RIDERS - (Continued)

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ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

STANDARD CONTRACT RIDERS - (Continued)

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ISSUED: DECEMBER 22, 2006

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STANDARD CONTRACT RIDERS - (Continued)

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ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 - RENEWABLE ENERGY SERVICE

(Applicable to Rates RS, RH, RA, GS/GM and GMH)

AVAILABILITY

Available to customers purchasing single-phase electric service served under the applicable rates who have installed a device or devices that are, in sole judgment, a bona fide technology for use in generating electricity from qualifying renewable energy installations not exceeding 10 kW, and that will be operated in parallel with the Company's system. Qualifying renewable energy installations include solar panels, wind, hydro, biomass, methane field, and fuel cell generation. The customer's equipment must conform to the installation for parallel operation of non-utility generation. The Company will modify its distribution and transmission facilities as necessary to interconnect with the customer at a single point. A customer will be charged for all modifications, additions or retirements made to provide the interconnection. The costs for making the renewable energy resource operational shall be the responsibility of the customer.

METERING

A customer may select one of the following metering options in conjunction with the applicable rate.

- (a) A non-ratcheted, bi-directional meter, may be used to record net energy sales to the customer.
- (b) Two meters may be installed. One will measure the energy delivered by the Company that the customer uses, and the other will measure the energy delivered to the Company from the customer that is generated by the customer's qualified renewable energy installation.
- (c) The Company shall consider other qualified meter installations requested by the customer.

BILLING

If, in any billing month, the amount of energy delivered by the Company that the customer uses is greater than the amount of energy the customer delivered to the Company, then the Company will bill the customer for the difference on the applicable rate. If, in any billing month, the amount of energy delivered by the Company that the customer uses is less than the amount of energy the customer delivered to the Company, only the Customer Distribution Charge of the applicable rate will be due by the customer. A customer, at its option, may sell any excess energy to an EGS rather than to the Company.

METERING CHARGE

- | | | |
|------------|---|-----|
| Option (a) | No charge | |
| Option (b) | \$11.50 for customers on Rates RS, RA and RH | (I) |
| | \$30.00 for customers on Rates GS/GM and GMH. | (I) |
| Option (c) | Meter cost shall be based upon the net incremental cost to the Company to purchase install and make operational the new metering equipment. | |

(I) – Indicates Increase

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 23 – GENERATION RATE ADJUSTMENT

(Applicable to Rate Schedules GL, GLH, L and HVPS)

The Generation Rate Adjustment (GRA) amount (if any) will be calculated for each customer account that chooses to leave POLR service under Rider No. 8 – Fixed Price Service prior to the end of the applicable Price Application Period defined in Rider No. 8. The GRA amount shall be calculated over the entire GRA Period, but in no event shall be negative, and shall be billed to the customer.

The GRA Amount shall equal the Market Value of Power charges (including energy, capacity, ancillary services and losses) over the entire GRA Period less the dollar amount of Net Billed Generation Revenue (NBGR) over the entire GRA Period adjusted for the Pennsylvania Gross Receipts Tax (GRT).

$$\text{GRA Amount} = \frac{\text{Market Value of Power less Net Billed Generation Revenue}}{(1-\text{GRT})}$$

The Market Value of Power charges over the GRA Period shall be calculated as follows:

$$\sum_{t=\text{StartHour}}^{\text{EndHour}} [(L_t + \text{ADJ}_t) * (LMP_t + SR_t + OR_t + REG_t + SCN_t + Loss_t + S1A) + Lt * PJMs] + \sum_{D=\text{StartDay}}^{\text{EndDay}} [(CO_D * CChg_D) + NPLC_D * (R_D + B_D)]$$

Where:

- t = Particular clock hour in the GRA Period from start hour to end hour for energy charges.
- D = Particular day in the GRA Period from start day to end day for capacity charges.

Customer Load

L_t = Hourly load of the customer measured in MW.

ADJ_t = Adjustments to the customer load at the retail meter using the same methodology used to determine the hourly load obligations of a customer served by an EGS pursuant to Duquesne's Supplier Coordination Tariff. The hourly load adjustments shall include the distribution and transmission (if applicable) losses of the applicable rate schedule as specified in Duquesne's Supplier Coordination Tariff.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 23 – GENERATION RATE ADJUSTMENT – (Continued)**

(Applicable to Rate Schedules GL, GLH, L and HVPS)

Energy Charges

LMP_t = Real-time hourly locational marginal price (LMP) in \$/MWH for the Duquesne Zone or Duquesne Residual Zone as applicable.

PJM Ancillary Service and Other PJM Charges

SR_t = Hourly spinning reserve charge in \$/MWH as calculated by PJM for supporting the customer's load.

OR_t = Hourly real-time operating reserve (supplemental) charge in \$/MWH as calculated by PJM for supporting the customer's load.

REG_t = Hourly regulation charge in \$/MWH as calculated by PJM for supporting the customer's load.

SCN_t = Synchronous Condensing Charge in \$/MWH for supporting the customer's load if this charge is billed separately by PJM to the Company.

$Loss_t$ = Hourly marginal transmission losses in \$/MWH (if applicable) to the customer's load in PJM. This \$/MWH charge will be calculated by PJM for energy delivered to the Duquesne Zone. This charge shall be set to \$0/MWh until such time PJM implements marginal transmission losses.

$S1A$ = PJM Schedule 1A rate in \$/MWH applicable to the Duquesne Zone.

PJM_s = PJM Surcharge as described in Rider 1 in \$/MWH.

R_D = Reactive supply service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 2.

B_D = Blackstart service charge in \$/MW-day to serve the customer's load as calculated under the PJM Tariff Schedule 6A.

Customer's Capacity Obligation

CO_D = Capacity Obligation in MW for each day associated with supporting the customer's load as described in the section "Determination of Capacity Obligation" of Rider No. 8 - Fixed Price Service.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 23 – GENERATION RATE ADJUSTMENT – (Continued)****(Applicable to Rate Schedules GL, GLH, L and HVPS)****Customer's Capacity Obligation – (Continued)**

NPLC_D = The customer's daily network service coincident peak load contribution in MW. This quantity is determined based on the customer's load coincident with the annual peak of the Duquesne Zone (single coincident peak) as defined in the PJM Tariff Section 34.1.

Capacity Charges

CChg_D = The Demand Charge in \$/MW-day as determined from the PJM daily capacity market.

PJM bills these charges to the Company as a function of the load measured in megawatts (MW) and expresses these charges as \$/MW, \$/MWH and \$/MW-day. The Company measures the customer's load and energy usage in kilowatts (kW) and will convert the above charges to \$/kW, \$/kWh and \$/kW-day for the purposes of computing the customer's GRA.

The NBGR represents the dollar amount the customer was billed for generation under Rider No. 8, Fixed Price Service over the GRA period less GRT according to the customers' applicable rate schedule.

LOCATIONAL MARGINAL PRICE

The "Duquesne Zone" is the PJM-defined area encompassing the franchised service territory of the Duquesne Light Company. The pricing for the Duquesne Zone contains every transmission load bus on the Company's system. PJM will determine the locational marginal price for the Duquesne Zone and an hourly nodal locational marginal price for each load bus. Load Serving Entities (LSE's) and wholesale transmission customers have the option of electing energy settlement at the hourly nodal prices.

The "Duquesne Residual Zone" is the pricing zone determined by PJM in the event that LSE's or other wholesale transmission customers in the Duquesne Zone elect settlement based on nodal locational marginal energy prices. In such event the Duquesne Zone locational marginal price will be replaced by the Duquesne Residual Zone locational marginal price and:

- (iii) the pricing for such zone will be calculated by PJM using a load-weighted average of the nodal locational marginal prices of all load buses within the Duquesne Zone, but excluding from such calculation the weighting at the respective nodal prices of the load served by LSE's or other wholesale transmission customers who have elected nodal settlement; and

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 23 – GENERATION RATE ADJUSTMENT – (Continued)****(Applicable to Rate Schedules GL, GLH, L and HVPS)****LOCATIONAL MARGINAL PRICE – (Continued)**

- (iv) settlement for all LSE's and wholesale transmission customers in the Duquesne Zone that have not elected nodal settlement, will have their load obligations settled on an hourly day-ahead, hourly real-time or other periodic basis at the respective PJM-determined price for the Duquesne Residual Zone for such period.

GENERATION RATE ADJUSTMENT PERIOD

For customers that leave service under Rider No. 8 prior to the end of the Price Application Period of the Energy Charges defined in Rider No. 8, the GRA, if any, would apply from the date the customer began taking POLR service under Rider No. 8 until the date the customer next receives service from an EGS or under Rider No. 9. In no event shall the date the customer began taking POLR service be prior to the start date of the applicable Price Application Period defined in Rider No. 8.

GENERAL

The Market Value of Power charges are intended to recover the market costs of serving POLR customers in PJM as these costs may change or be redefined from time to time. The GRA shall be calculated using the formula and prices referenced above. The formula is subject to change at any time, as PJM rules, charges or market parameters change. The Company will seek Commission approval for modifications to the formula in this rider.

APPENDIX A

(C)

TRANSMISSION SERVICE CHARGES

(Applicable to All Rates)

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 (FERC) for customers who receive Provider of Last Resort (POLR) Service from the Company. Customers taking POLR service from the Company shall be charged in accordance with the charges of the applicable rate schedules stated below. These charges shall also apply to riders applicable to each rate schedule.

MONTHLY RATES

Rate Schedule	Transmission Service Charge	
RS	\$0.003431 per kWh	(I)
RH	\$0.001508 per kWh	(D)
RA	\$0.003377 per kWh	(I)
GS/GM Non-Demand Metered	\$0.001832 per kWh	(I)
<u>GS/GM Demand Metered</u>		
Demand	\$0.40 per kW	(D)
Energy	\$0.001313 per kWh	(D)
<u>GMH</u>		
Demand (June through September).....	\$0.93 per kW	(I)
Energy	\$0.000967 per kWh	(D)
GL	\$0.89 per kW	(D)
GLH.....	\$0.89 per kW	(D)
L	\$0.89 per kW	(D)
HVPS	\$0.89 per kW	(D)
UMS	\$0.89 per kW	(D)

BILLING DEMAND

Billing Demand subject to Transmission Service Charges for customers taking service under Rate Schedules GS/GM and GMH shall be the same as that determined for distribution and generation charges under the applicable rate schedules.

APPENDIX A – (Continued)

(C)

TRANSMISSION SERVICE CHARGES – (Continued)

(Applicable to All Rates)

BILLING DEMAND – (Continued)

Billing Demand subject to Transmission Service Charges for Customers taking service under Rate Schedules GL, GLH, L, HVPS and UMS shall be the customer's daily network service coincident peak load contribution in MW. This quantity is determined based on the customer's load coincident with the annual peak of the Duquesne Zone (single coincident peak) as defined in the PJM Tariff Section 34.1.

ANNUAL UPDATE

The Transmission Service Charges (TSC) defined herein will be updated effective June 1st of each calendar year or more often upon determination that the rates then in effect would result in a significant over or under collection. On or about May 1st, the Company will file revised TSC rates with the PA Public Utility Commission (Commission) defining rates in effect from June 1 to May 31 of the following year, the computation year. These rates shall be determined based on the projected revenue requirement for the computation year and the over or under collection of expenses based on actual TSC revenue and expense incurred up to March 1 of each filing year. The revenue requirement and over or under collection shall be allocated to each rate class based on the class contribution to the Company's coincident peak load (1CP) and POLR share of the 1CP load from the previous calendar year. The rates applicable to each rate schedule shall be determined in accordance with the following formulas.

For Rate Schedules RS, RH, RA and applicable Riders:

$$\text{TSC-kWh} = \{ (\text{RCRR} - "e") / \text{RCSales} \} * \{ 1/(1-T) \}$$

For Rate Schedules GS/GM and GMH:

Non-Demand Metered:

$$\text{TSC-kWh} = \{ (\text{RCRR} - "e") / \text{RCSales} \} * \{ 1/(1-T) \}$$

Demand Metered:

$$\text{TSC-kW} = \{ ((\text{RCRR} - "e") \times 50\%) / \text{RCDemand} \} * \{ 1/(1-T) \}$$

$$\text{TSC-kWh} = \{ ((\text{RCRR} - "e") \times 50\%) / \text{RCSales} \} * \{ 1/(1-T) \}$$

For Rate Schedules GL, GLH, L, HVPS and UMS:

$$\text{TSC-kW} = \{ (\text{RCRR} - "e") / (\text{RC1CP} \times 12) \} * \{ 1/(1-T) \}$$

APPENDIX A – (Continued)

(C)

TRANSMISSION SERVICE CHARGES – (Continued)

(Applicable to All Rates)

ANNUAL UPDATE - (Continued)

For Rate Schedules GL, GLH, L, HVPS and UMS: - (Continued)

Where:

- TSC = Transmission service charge to be applied to all Transmission billing units (either kWh or kW, as indicated.)
- RCRR = Projected total revenue requirement is established for the computation year of June 1st through May 31st, corresponding to the PJM planning year. The revenue requirement shall then be allocated to the specific rate classes by applying the ratio of the RC1CP to the Duquesne Zone 1CP for the prior year.
- "e" = Total over or undercollection calculated by comparing total TSC revenues billed to the specific rate class during the reconciliation year of the twelve month period ending February 28th or 29th to the total charges billed by PJM under its OATT as approved or accepted by FERC and allocated to the specific rate class based upon its POLR share of the Duquesne Zone 1CP for the prior year, including applicable interest. Interest shall be computed monthly at the statutory rate, from the month the over or under collection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.
- RCSales = Projected kWh sales for the specific rate class for the computation year.
- RCDemand = Projected kW billing demand for the specific rate class for the computation year.
- RC1CP = Rate Class load coincident with the peak hour of the peak day of the Duquesne Zone during the calendar year prior to the computation year.
- T = The total Pennsylvania Gross Receipts Tax rate in effect during the billing month, expressed in decimal form.

MISCELLANEOUS

Minimum bills shall not be reduced by reason of the TSC, nor shall charges hereunder comprise any portion of a monthly rate schedule minimum. The TSC shall not be subject to any credits or discounts and shall not be affected by the State Tax Adjustment Surcharge (STAS).

The Company shall file a report of TSC collections within thirty days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission.

Application of the TSC shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the TSC and the costs included therein.

(C) Indicates Change

ISSUED: DECEMBER 22, 2006

EFFECTIVE: JANUARY 6, 2007

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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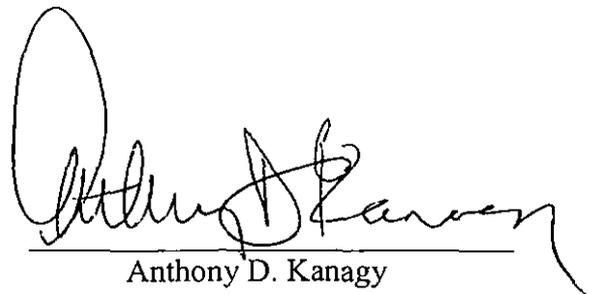
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