Joint Petition of Citizens' Electric Company of Lewisburg, Pennsylvania and Wellsboro Electric Company For Approval of a Default Service Plan and Waiver of Commission Regulations for the Period of June 1, 2025, through May 31, 2029, Initial Call-In Telephonic Hearing	Docket Nos.: P-2024-3049357 P-2024-3049359

Pages 27 - 56

Judge's Chambers

Piatt Place

301 5th Avenue

Suite 220

Pittsburgh, PA

Wednesday, September 25, 2024

Commencing at 10:03 a.m.

INDEX TO EXHIBITS

Docket Nos. P-2024-3049357/P-2024-3049359

Hearing Date: September 25, 2024

NUMBER	FOR IDENTIFICATION	IN EVIDENCE
Citizens and Wellsboro Exhibit:		
CW-1	37	40

Petition for Approval of Joint Default Service Plan

Statement 1 38 40

Testimony of Byron Farnsworth with Exhibits

Statement 2 38 40

Testimony of Nathan Johnson with Exhibits

Statement 3 39 40

Testimony of Melissa Sullivan with Exhibit

Office of Consumer Advocate Exhibit:

Statement 1 41 43

Testimony of Dr. Serhan Ogur and Exhibits

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period June 1, 2025 Through May 31, 2029	**:**	**Docket Nos.**

JOINT DEFAULT SERVICE PLAN OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA AND WELLSBORO ELECTRIC COMPANY

Citizens' Electric Company of Lewisburg, PA ("Citizens'") and Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies") hereby submit to the Pennsylvania Public Utility Commission ("PUC" or "Commission") for approval their Seventh Joint Default Service Plan ("Seventh Joint DSP"), pursuant to the Electric Generation Customer Choice and Competition Act, 66 Pa. C.S. § 2801 et seq. ("Competition Act"), as amended by Act 129 of 2008 ("Act 129"), the Commission's Default Service Regulations, 52 Pa. Code §§ 54.181 – 54.189[1], and the Policy Statement on Default Service ("Policy Statement"), 52 Pa. Code §§ 69.1801 – 69.1817. In this filing, Citizens' and Wellsboro propose to continue, in substantial part, the procurement structure and rate design that were approved in the existing Sixth Joint DSP, as amended.

The Companies propose to maintain the same Procurement and Implementation Plan that was approved by the Commission in the Sixth Joint DSP. Under the Procurement and Implementation Plan, the Companies propose to conduct a competitive bid process and enter into Load-Following Full Requirements ("Load-Following FR") contracts with one or more wholesale suppliers to serve all default service customers. Each Company will independently select one

[1] *See Rulemaking Re Electric Distribution Companies' Obligation to Serve Retail Customers at the Conclusion of the Transition Period Pursuant to 66 Pa. C.S. § 2807(e)(2)*, Docket No. L-00040169 (Order entered May 10, 2007) ("First Rulemaking Order"); *See Implementation of Act 129 of October 15, 2008; Default Service and Electric Markets*, Docket No. L-2009-2095604 (Order entered Oct. 4, 2011) ("Second Rulemaking Order").

wholesale supplier; the Companies may be served by the same supplier or different suppliers depending on the lowest qualifying bid for each territory. Wellsboro's supplier will serve all of Wellsboro's wholesale needs.[2] Citizens' supplier will supply all Citizens' wholesale needs.[3]

The Companies request one change to the Procurement and Implementation Plan. Specifically, the Companies propose to allow same day triggers of the wholesale energy component of the fixed default service rate. Currently, Citizens' and Wellsboro provide their wholesale suppliers with a day-ahead notice of the trigger date. Moving to a same day trigger will reduce the likelihood of wholesale energy market fluctuations between the time that the trigger notice is given and the lock-in of the wholesale energy price. This change is discussed in more detail later in this filing and in the testimony of Mr. Byron (Barney) Farnsworth Jr, CW Statement No. 1.

The Companies' Rate Design Plans will also remain the same. The current Commission-approved Generation Supply Service Rate ("GSSR") for each company will continue to calculate the price of default service supply, including the GSSR-1 fixed price option for residential and small commercial customers and the GSSR-2 hourly priced option for large customers. Finally, the Companies also propose to maintain their non-bypassable Customer Choice Support ("CCS") Riders that have been effective since 2014. For both companies, the CCS Riders will remain available for appropriate costs approved by the Commission for recovery by the Companies.

[2] The Wellsboro Supplier's obligations are net of the energy that Wellsboro receives from any net metered installations.

[3] The Citizens' wholesale supplier's obligations are net of the energy that Citizens' receives from any net-metered installations and from Bucknell University. Citizens' is required to purchase excess load from the University under the Public Utility Regulatory Policies Act ("PURPA"), Pub.L. 95–617, 92 Stat. 3117 (enacted November 9, 1978).

To implement the Seventh Joint DSP, the Companies request waivers as contemplated by Section 54.185(g) of the Commission's Regulations.[4] The proposed waivers are similar to waivers approved by the Commission in the Companies' Sixth Joint DSP. These proposed waivers, set forth in the Companies' Appendix D, include requests to establish a four (4) year DSP for the period June 1, 2025, through May 31, 2029 and to offer Hourly Priced Service ("HPS") only to Large C&I customers with a registered peak demand at or above 400 kW. Approval of the waivers will enable the Companies to continue to offer market-based default service products in a manner appropriate for their current circumstances.

With a similar market-based procurement approach, rate design, and requested waivers, the Companies believe that the Seventh Joint DSP satisfies the directives from the End State Order and remains consistent with the Competition Act, Act 129, and the Commission's Default Service Regulations.

I. INTRODUCTION AND BACKGROUND

1. Citizens' and Wellsboro are two of the smallest jurisdictional EDCs in Pennsylvania. The stock of both Companies is wholly owned by C&T Enterprises, Inc. ("C&T"). C&T is a holding company that is jointly owned by Tri-County Rural Electric Cooperative and Claverack Rural Electric Cooperative. Citizens' provides service to approximately 7,143 customers in Lewisburg and the surrounding area; 5,945 of these are residential customers, with the remaining 1,198 consisting of commercial, industrial and lighting accounts. Citizens' has a peak load of approximately 52 MW. Wellsboro is of similar size, serving approximately 6,456 customers, 5,155 of which are residential, and 1,301 of which are commercial, industrial, resale or

[4] "For DSPs with less than 50,000 retail customers, the Commission will grant waivers to the extent necessary to reduce the regulatory, financial or technical burden on the DSP or to the extent otherwise in the public interest." 52 Pa. Code § 54.185(f).

lighting. Wellsboro's peak load is approximately 18.6 MW. Citizens' is located in the PPL Electric Utilities ("PPL") transmission zone, while Wellsboro is located in the Pennsylvania Electric Company ("Penelec") transmission zone.

2. The rate caps applicable under the Competition Act for Citizens' and Wellsboro customers expired on January 31, 2002, and January 2, 1999, respectively. As a result, Citizens' and Wellsboro have been operating in the "post transition period" for a number of years. The abbreviated rate cap period was a result of the Companies' historic reliance on wholesale purchases to obtain the generation supply to serve customers, rather than owning generation facilities. Both before and after the rate unbundling accomplished in the Competition Act, the Companies obtained energy via a series of fixed-price, multi-year wholesale full requirements contracts.

3. As their rate caps expired, Citizens' and Wellsboro initially engaged in individual processes to select wholesale suppliers to meet the needs of their default service customers. After the Commission commenced the rulemaking to adopt its Default Service Regulations and Policy Statement, which provided a comprehensive strategy for the provision of default electric service in the Commonwealth, the Companies pursued joint planning and procurements for default service.

4. On June 1, 2007, the Companies submitted their First Joint DSP, which proposed to implement a portfolio of energy products from multiple suppliers to include a mix of spot market, fixed-block, and other energy supply products to meet their default service obligations for the period January 1, 2008, through May 31, 2010.

5. On October 3, 2007, the Commission issued its Opinion and Order, which approved, with modifications, the First Joint DSP advocated by the Companies and supported by

the Office of Consumer Advocate ("OCA") and the Office of Trial Staff, now operating as the Bureau of Investigation and Enforcement ("I&E").[5]

6. The Companies continued the portfolio procurement approach in their Second Joint DSP and Third Joint DSPs.[6]

7. On February 14, 2013, the PUC issued its "End State Order" regarding default service, which endorsed a "market reflective" approach to procuring default service supply.[7]

8. On May 30, 2014, Citizens' and Wellsboro submitted their Fourth Joint DSP. In the Fourth Joint DSP, Citizens' and Wellsboro proposed substantial changes to their procurement approach. Based on the Commission's support for market-reflective, full requirements default service products, as well as the Companies' experience with previous DSPs, Citizens' and Wellsboro proposed to implement a modified DSP relying on forward market price quotations and hourly spot prices for the period June 1, 2015, through May 31, 2018. In place of the portfolio, the Companies proposed to conduct a competitive bid process and to select one or more wholesale suppliers to enter into Load-Following FR contracts for the three-year period ending on May 31, 2018. The suppliers compete by submitting bids for a Supplier Adder.

9. In the Fourth Joint DSP, the Supplier Adder included the costs associated with risk for load following and other risks, and for all electricity-related products except transmission,

[5] *See Petition for a Joint Default Service Plan for Citizens' Electric Company of Lewisburg, Pennsylvania and Wellsboro Electric Company for the Period of January 1, 2008 through May 31, 2010*, Docket Nos. P-00072306 and P-00072307 (Order entered Oct. 3, 2007) ("Oct. 2007 Order").

[6] *See Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2010 through May 31, 2013,* Docket Nos. P-2009-2110798 and P-2009-2110780 (Order entered Feb. 26, 2010) ("Feb. 2010 Order"); *Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2010 through May 31, 2013,* Docket Nos. P-2009-2110798 and P-2009-2110780 (Order entered Feb. 11, 2011) ("Feb. 2011 Order"); and *Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2013 through May 31, 2015,* Docket Nos. P-2012-2307827 and P-2012-2307931 (Order entered Dec. 5, 2012) ("Dec. 2012 Order").

[7] *See Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered Feb. 15, 2013) ("End State Order").

capacity, and energy. Transmission and capacity costs were direct pass-through of the actual PJM costs that the wholesale supplier incurs. The energy costs for Residential and Small Commercial customers were originally proposed to be an average of six (6) month pricing periods, based on the PJM Interconnection, LLC ("PJM") West Hub monthly forward pricing, with a trigger date prior to each pricing period where the strip pricing would be used to develop the per kWh energy charge for the upcoming retail pricing period. For Large (over 400 kW) Commercial and Industrial ("Large C&I") customers, the wholesale supplier would provide HPS based on the PJM Locational Marginal Price ("LMP") for the PJM West Hub.

10. On February 27, 2015, the Commission adopted the Companies' Fourth Joint DSP, with four modifications ("February 2015 Order").[8] **First**, the Commission modified the Companies' indexed energy component to be a "laddered approach." The Commission ordered that half of the energy pricing for residential and small C&I customers be adjusted every six months based on PJM West Hub on-peak monthly forward pricing, using a formula based on the mathematical average of the monthly on-peak MWh strip pricing for a MWh sold to customers during a twelve-month pricing period.[9] The other half would then be composed of another twelve-month period calculated identically, six months hence. The Commission found that adopting this one modification would ensure adherence to the "prudent mix" DSP standard.[10] **Second**, instead

[8] *See Joint Petition of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for their Default Service Program for the Period June 1, 2015 through May 31, 2018*, Docket Nos. P-2014-2425024 and P-2014-2425245 (Order entered Feb. 27, 2015) ("February 2015 Order").

[9] In order to achieve this laddered pricing, the Commission determined that first six months and last six months of the three-year contract should reflect a blend of six-month and twelve-month strip pricing. For all other contract periods, the energy component should reflect a blend or laddering of the twelve-month forward pricing obtained from the two trigger dates six months apart.

[10] The Commission wrote: "The plan results in energy cost hedges of two to fourteen months into the future, while the Supplier Adder price component fully hedges congestion, marginal losses, AEPS Act compliance costs, transmission losses, and transmission charges other than NITS for a period of three years. This will allow for hedges for ancillary and congestion costs which have played a significant role in past volatility in the Companies' DS rates." *February*

of the trigger dates for the PJM West Hub on-peak monthly forward pricing being pre-designated dates in April and October, the Commission allowed the Companies to select trigger dates that would provide flexibility if market conditions were unfavorable. **Third**, the Commission modified the Companies' plan for Customer Transition Back to Default Service, which proposed that shopping customers returning to default service would go on HPS, requiring instead that upon any reversion to the portfolio approach for wholesale supply, the Companies would treat returning customers as new customers eligible for service under the prior portfolio approach. **Fourth**, the Commission adopted a three-bid minimum to the Companies' RFP process.

11. The Companies conducted their initial RFP shortly after the February 2015 Order was issued by the Commission. However, this RFP yielded only two bids, resulting in noncompliance with the minimum three-bid requirement. As a result, the Companies implemented the Commission-approved Contingency Plan under which the Companies continued to offer default service supply through May 31, 2016, under their previously approved portfolio approach.

12. In preparing for a second RFP, the Companies made adjustments based on feedback received from interested wholesale suppliers. Most supplier recommendations could be implemented without modifying the Commission-approved Fourth Joint DSP. The Companies sought approval to recover Regional Transmission Expansion Plan/Transmission Enhancement Costs ("RTEP/TEC") on a pass-through basis; the original Fourth Joint DSP included RTEP costs among those recovered through the fixed Supplier Adder. The Companies concluded that allowing pass-through recovery of RTEP costs would reasonably balance the risks borne by the wholesale suppliers. On November 20, 2015, Citizens' and Wellsboro submitted a Petition to amend the

2015 Order at 39. "This proposal also effectively deals with many of the challenges faced by a smaller EDC in providing default service, mainly higher per kilowatt hour administrative costs and high potential migration risk."

Fourth Joint DSP to allow for pass-through recovery of RTEP costs ("Amended Fourth Joint DSP").[11] The Commission granted this Petition on February 11, 2016.

13. The Companies conducted a second RFP after the Amended Fourth Joint DSP was approved. Winning bids were awarded for the period of June 1, 2016, through May 31, 2018.

14. The Companies have been operating under the index-based procurement approach with a Supplier Adder since June 1, 2016.

15. On March 31, 2017, the Companies filed their Petition seeking the Commission's approval of its Fifth Joint DSP. The Companies proposed to eliminate the 3-bidder requirement and to add to Citizens' procurement plan a long-term solar contract.

16. On December 28, 2017, the Commission adopted the Companies' Fifth Joint DSP covering the period of June 1, 2018 - May 31, 2021[12]. The Commission accepted the change to the bidder requirement, but rejected the solar contract In addition, the Commission resolved two contested issues regarding the Companies Contingency Plan, finding: (1) the Contingency Plan must be submitted within 14 days in the event of a wholesale supplier failure; and (2) any spot market costs incurred during the period between the supplier failure and implementation of the Contingency Plan must be recovered over a period of twelve months.[13]

17. The Companies conducted an RFP and awarded contracts to the winning bidders for the period of June 1, 2018, through May 31, 2021.

18. On March 31, 2020, the Companies submitted the Sixth Joint DSP. This Plan was similar to the approved Fifth Joint DSP plan with two minor modifications. **First,** the Companies

[11] *See Petition for Amendment of the Fourth Joint Default Service Plan of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company,* Docket Nos. P-2014-2425024 and P-2014-2425245 (Nov. 20, 2015).

[12] *See Opinion and Order Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company,* Docket Nos. P-2017-2596815 and P-2017-2596838 (Dec 28, 2017).

[13] Id., at 23.

proposed to allow interim changes to the GSSR to take effect on five (5) days-notice. **Second**, the Companies proposed a four (4) year duration for the DSP, rather than three (3). The Sixth Joint DSP, including both of the proposed modifications, was approved by Order entered on October 29, 2020.[14]

19. During the Sixth Joint DSP, the Companies determined that it was appropriate to modify the treatment of distribution losses[15] for shopping and default service customers. Specifically, on October 28, 2022, the Companies submitted a Joint Petition to Amend the Sixth Joint DSP to implement annual adjustments to distribution losses. The Joint Petition to Amend was approved by Order issued on December 22, 2022.[16]

20. In accordance with the Commission's regulations and Act 129, the Companies submit this Seventh Joint DSP, which includes the Implementation and Procurement Plan, Alternative Energy Portfolio Standards Act Plan, and Rate Design Plan. Also included in the filing, in explanation and support of the proposed Seventh Joint DSP, are the following appendices:

1. Prepared Direct Testimony in Support of Seventh Joint DSP:

   CW Statement No. 1, Direct Testimony of Byron (Barney) Farnsworth Jr (Appendix A)
   CW Statement No. 2, Direct Testimony of Nathan Johnson (Appendix B)
   CW Statement No. 3, Direct Testimony of Melissa D. Sullivan (Appendix C)

2. List of requirements under the Default Service Regulations and Policy Statement, including identification of waivers potentially required to implement the proposed DSP. (Appendix D)
3. Citizens' customer notice that is to be sent to all customers via first-class mail. (Appendix E)

[14] *See Opinion and Order Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA, and Wellsboro Electric Company,* Docket Nos. P-2020-3019383 and P-2020-3019384 (Oct. 29, 2020) ("Sixth Joint DSP Order").

[15] Distribution losses occur between the PJM delivery point for the service territory and the retail customers' meters.

[16] *See Opinion and Order re Joint Petition of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Amendment of their Joint Default Service Plan to Account for Distribution Losses*, Docket Nos. P-2022-3036514 and P-2022-3036537 (Dec. 22, 2022).

4. Wellsboro's customer notice that is to be sent to all customers via first-class mail. (Appendix F)

5. The draft Request for Proposals ("RFP") to be published for bid solicitation. (Appendix G)

6. The draft Supplier Master Agreement. (Appendix H)

II. JOINT DEFAULT SERVICE PROGRAM

A. The Implementation and Procurement Plan

21. As described *supra*, in their Fourth Joint DSP, the Companies proposed a competitive bid process to obtain default service supply directly from wholesale suppliers through Load-Following FR contracts effective from June 1, 2015, through May 31, 2018. In light of Pennsylvania's maturing electricity retail market, the Commission's emphasis on market-reflective default service products, and expected EGS activity, the Companies invested considerable resources to develop a more market-reflective default service product and procurement approach consistent with the End State Order.[17] The Commission commended the Companies for their innovative proposal and approved it with minor modifications.[18]

22. For the Seventh Joint DSP, the Companies propose to continue this Implementation and Procurement Plan. The Companies will issue an RFP seeking Load Following FR contracts for each territory for a four-year period from June 1, 2025, through May 31, 2029. The draft RFP, which includes the proposed schedule, is attached as Appendix G.

23. The Companies recognize that the End State Order recommended that EDCs propose default service plans covering two-year periods; however, the Companies were permitted to extend the Sixth Joint DSP by an additional two years and seek to do the same for the Seventh

[17] These efforts included conducting informal meetings with OCA, OSBA, and wholesale suppliers that are potentially interested in offering a full requirements wholesale arrangement for the Companies' service territory.

[18] *See February 2015 Order*, p. 40.

Joint DSP. This extension will allow the Companies to reduce the administrative costs of preparing and filing default service plans with the Commission. This is also consistent with waivers provided to other EDCs granting longer time periods.[19]

24. The Companies also acknowledge that the proposed threshold of 400 kW for HPS differs from the guidance set forth in the Commission's End State Order. In the End State Order, the Commission recommended that EDCs offer HPS to customers with a peak demand of 100 kW or greater, to the extent that such customers have interval meters. The Commission observed that both "large C&I customers and medium C&I customers are equally well-equipped and educated to manage their commodity costs in an hourly LMP default service environment."[20] However, the Commission also determined that smaller EDCs may furnish evidence showing why the 100 kW demarcation would not be appropriate for their service territories.[21]

25. The Companies hereby request a waiver of the prescribed 100 kW demarcation. Based on the customer characteristics in their territories, the Companies believe that maintaining the current 400 kW threshold is appropriate.

26. With the above conditions in place, the Companies propose to continue to meet their DSP obligations by conducting an RFP and entering into Load-Following FR contracts with one or more wholesale suppliers, consistent with the Commission's directive that all default service procurements include auctions, requests for proposals or bilateral agreements.[22] The proposed

[19] *See Petition of Metropolitan Edison Company, et al., for Approval of a Default Service Program for the Period Beginning June 1, 2017 through May 31, 2019*, Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355, and P-2015-2511355 (Order entered May 19, 2016) and *Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period June 1, 2017 to May 31, 2021*, Docket No. P-2016-2543140 (Order entered Dec. 22, 2016).

[20] End State Order, p. 29.

[21] *Id*. at 32.

[22] 52 Pa. Code § 54.184(a).

wholesale default service product will consist of five principal cost components: (1) an energy component that will be priced using an index; (2) a Supplier Adder; (3) a direct pass through of Network Integrated Transmission Service ("NITS") costs for default service customers; (4) a direct pass-through of RTEP/TEC costs for default service customers; and (5) a direct pass-through of Capacity Costs (Locational Reliability and Capacity Performance) for default service customers. The Supplier Adder covers all other costs to deliver default service power (both fixed and hourly energy) to the wholesale meter at the Citizens' or Wellsboro Aggregate Bus. This includes congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. Consistent with the Commission's Regulations, the proposed procurement plan offers a "prudent mix" of products.

27. Citizens' and Wellsboro propose to continue using the Intercontinental Exchange ("ICE") as the index source to determine wholesale energy pricing for the GSSR-1 customers. The Commission approved the change to ICE in the Fifth Joint DSP.

28. For Residential and Small Commercial customers, the energy component will set a fixed price to be adjusted every six months based on the PJM West Hub on-peak monthly forward pricing at dates ("Trigger Dates") as set forth below:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

29. In the Seventh Joint DSP, the Companies propose to implement a minor modification to the trigger process. Currently, the Companies provide day-ahead notices to their suppliers in advance of the Trigger Date. For the Seventh Joint DSP, the Companies propose to reduce the trigger process to a single day. Specifically, the notice will be provided by 3:00 PM to trigger the strip pricing based on the market closing price on the same day. This change will reduce the likelihood that the market price experiences substantial changes between the time when Citizens' or Wellsboro makes its trigger decision and the actual lock-in of the price.

30. For Large C&I customers, defined as any customer registering a billing demand of 400 kW or above in any single billing period during the last 12 months, the energy component shall be HPS, based on the real-time PJM LMP for the PJM West Hub.

31. On top of the respective energy component charges, Citizens' and Wellsboro will pay a Supplier Adder[23] to their wholesale supplier, which will be a uniform cents-per-kWh charge fixed for the duration of the 4-year contract. The Supplier Adder will compensate the wholesale suppliers for all costs and risks for delivery to the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, including marginal losses, ancillary services, congestion, transmission charges (other than NITS and RTEP/TEC), AEPS costs, marginal losses, customer load variability, and customer migration. Importantly, the Supplier Adder avoids the need for the Companies to maintain congestion management plans, as wholesale suppliers would continue to assume congestion costs and the associated rights to Auction Revenue Rights "ARR" and Financial Transmission Rights "FTR".

32. The Companies will retain responsibility for directly collecting these Power Purchase Costs charged by the wholesale suppliers, plus any administrative costs incurred in carrying out their default service obligations, from customers through the GSSR already in place. Recovery of such costs through the GSSR is addressed in Section II.C, *infra*.

B. Alternative Energy Portfolio Standard Act ("AEPS") Plan

33. Under the Seventh Joint DSP, all AEPS compliance obligations will continue to be assigned to the wholesale suppliers. The wholesale suppliers will procure the requisite AECs and assign the AECs to the Companies via the Generation Attribute Tracking System ("GATS") or any future replacement program.

[23] The Supplier Adder will place the risk of deviations in actual versus forward energy costs, sales, on-peak/off-peak customer usage and on-peak/off-peak wholesale pricing differentials on the wholesale supplier.

34. As discussed in Section II.A, *supra*, the Companies will continue to require the wholesale suppliers to include the costs associated with AEPS procurements in the Supplier Adder, which are reflected in retail rates through the GSSR.[24]

C. Rate Design Plan and Customer Billing

35. The Commission's Regulations and Policy Statement establish requirements regarding the design and structure of default service rates.[25] For all customer classes, the Companies intend to preserve the exact design and structure of the existing GSSRs.

36. Under the Sixth Joint DSP, each Company currently has two GSSRs, the GSSR-1 and GSSR-2. Residential and Small Commercial customers pay a fixed per-kWh GSSR ("GSSR-1"), made up of: (1) projected Purchased Power Costs (Fixed Energy rate + Supplier Adder+ (Projected NITS + Projected RTEP/TEC + Projected Capacity) Costs for the GSSR-1 class + Company Administrative Costs); **plus or minus** (2) the Reconciliation Period E-factor; **divided by** (3) projected metered sales to GSSR-1 default service customers; **times** (4) a GRT gross-up.[26] This rate is adjusted every 6 months, although the Supplier Adder would remain fixed throughout the 4-year DSP period.

37. Similarly, Large C&I customers pay a GSSR rate ("GSSR-2") consisting of: (1) the real-time LMP pricing as calculated by PJM for the PJM West Hub; **plus** (2) the per-kWh Supplier Adder;, **plus** (3) the per-kWh Company Administrative Costs; **plus** (4) per-kW charges based on the applicable PJM rates and each customer's PJM NITS, RTEP/TEC and Capacity obligations; **times** (5) a GRT gross-up. The kWh charges are billed using the customer's metered hourly usage.

[24] *See id.* § 69.1808(a)(4)-(6).

[25] *See* 52 Pa. Code §§ 54.187, 54.188 and 69.1808-69.1811.

[26] Citizens' Purchased Power Costs for the GSSR-1 also include the Bucknell purchases.

38. Distribution losses for both GSSR-1 and GSSR-2, as well as for shopping customers, are adjusted each June 1st. The adjustment reflects each Company's actual experienced losses for the prior three (3) calendar year period.

39. For the GSSR-1, all Residential and Small Commercial default service costs recovered through the GSSR-1 are reconciled through the E-Factor, which is adjusted to reflect 6-month projection and reconciliation periods in correspondence with the 6-month pricing periods.

40. For the GSSR-1, the Companies propose to continue to adjust rates every 6 months. Consistent with the Commission's End State Order, preliminary rates will be filed 45 days prior to the effective date for new rates, provided the Companies retain authority to update preliminary rates up to 10 days prior to the effective date. For clarity, the 6-month pricing and reconciliation periods are outlined below:

Price Period	**Reconciliation Period in E-factor of default service rate**	**Preliminary and Final Filing Dates**
June 1-November 30	October 1- March 31	April 16/May 20
December 1-May 31	April 1-September 30	October 16/November 20

41. The Sixth Joint DSP Order authorized the Companies to make interim filings to address cost or computational changes on five (5) days' notice. The Companies respectfully propose to retain this provision. This will ensure that the GSSR can be modified more expeditiously and will minimize the length of time that an inaccurate GSSR rate is applied.

42. Under the GSSR-2, the Companies' model reflects the real-time pricing now available to Large C&I customers. Capacity, NITS, RTEP/TEC and hourly LMPs are direct pass-throughs based on PJM rates and billing determinants. The Supplier Adder also is a direct pass through on a per kWh basis.

43. In the Fourth Joint DSP, Fifth Joint DSP and Sixth Joint DSP, the GSSR-2 did not contain an E-factor to reconcile projected and actual costs and revenues. The Companies propose to do the same in the Seventh Joint DSP. Any overcollection or under-collection of the GSSR-2 will be reflected in the GSSR-1 E-factor.

44. Since the introduction of hourly priced service, most of the customers that would be served under the GSSR-2 have chosen instead to purchase supply from Electric Generation Suppliers ("EGS"). The small number of GSSR-2 customers in each territory that take hourly default service have consistently remained on this service except for a brief period during 2023 when some of the larger customers returned to default service during a period of high wholesale prices. Once wholesale prices decreased, the large customers returned to shopping. The Companies are concerned that customers may begin switching more regularly on and off of GSSR-2 default service and that all customers may leave the GSSR-2 default service. If this occurs, the Companies will have no method to recover generation costs from GSSR-2 customers, which would impair the Companies' full and timely recovery of default service costs. As a result, the Companies propose to continue recovering any overcollection or under-collection for this class through the GSSR-1 E-factor.

45. Pursuant to 66 Pa. C.S. § 1307, the GSSR will recover through an automatic adjustment mechanism all bidding, contracting, risk management, scheduling and forecasting costs, as well as other costs that are required to procure default service supply.[27] In this manner, the Companies will also recover all administrative costs, applicable taxes, and costs associated with the Companies' AEPS compliance.[28]

[27] *See id.* § 69.1808(a)(3).

[28] *See id.* § 69.1808(a)(4)-(6).

46. Customer bills will be issued monthly in 4 cycles, consistent with Citizens' and Wellsboro's current billing practices. Citizens' and Wellsboro will bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers.

47. Citizens' and Wellsboro also propose the continuation of the Commission-adopted review process of the GSSR (*i.e.*, processing by the Bureau of Audits for each periodic rate change).[29]

D. Responses to Secretarial Letter at Docket M-2019-3007101

48. In 2019, the Commission conducted an *Investigation into Default Service and PJM Interconnection, LLC. Settlement Reforms* at Docket No. M-2019-3007101. The Commission concluded the investigation by issuing a Secretarial Letter on January 23, 2020, that directs EDCs to address certain items in their upcoming DSPs. For small EDCs, the Secretarial letter requires: (1) consideration of whether a time of use rate option could be offered for Electric Vehicle ("EV") charging; and (2) an explanation of how the DSP complies with the product mix requirements of the Public Utility Code and case law.

1. EV Charging

49. The Secretarial Letter directed all parties to address whether future DSPs will include a time of use rate for EV charging. Currently, Citizens' and Wellsboro offer the hourly priced service to larger customers, but do not offer a time of use rate to residential and small commercial customers.[30] Implementing and reconciling an EV charging time of use rate would be

[29] *See* 52 Pa. Code §§ 54.187(f), 54.188(e)(3) and (4), and 54.188(f); *see also* Oct. 2007 Order, pp. 21-22.

[30] *See* 66 Pa. C.S. § 2807(f)(6) (applying the time of use mandate to EDCs with more than 100,000 customers).

difficult. The Companies believe that the Commission should consider this issue for larger EDCs before requiring small EDCs to introduce new EV offerings.

2. Prudent Mix Compliance

50. The Companies' proposed procurement plan relies on a four (4) year Supplier Adder, laddered pricing for one-year forward price strips that are determined each 6 months, a passthrough of certain PJM costs, and hourly-priced energy service for the largest customers. Pursuant to the definitions in Section 2807(e)(3.2), this means that the plan includes long-term contracts, short-term contracts (less than 4 years) and spot market purchases. The Commission, in approving hourly-priced service for Large C&I customers in other DSPs, has confirmed that the prudent mix standard references the total DSP portfolio rather than the procurements applicable to each customer. *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Default Service Programs*, slip op., Docket Nos. P-2011-2273650, *et. al*, (Aug. 2, 2012), p. 37 (hereinafter "FE 2013-15 DSP"); *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan,* slip op., P-2012-2302074 (Jan. 24, 2013), p. 36 (hereinafter "PPL 2013-15 DSP"). For the Companies, the proposed plan constitutes a prudent mix.

E. Other Plan Requirements

51. The Commission's Regulations and Policy Statement set forth various additional requirements for default service programs. Attached as Appendix D is a list of the various provisions in the Regulations and Policy Statement and an explanation of how the Companies' Seventh Joint DSP fulfills each. Appendix D also identifies the specific provisions for which

waivers may be necessary. Finally, attached as Appendix E and F are the Citizens' and Wellsboro notices that are to be sent to all customers announcing the filing of the DSP.

52. In addition, the Companies respond to the additional requirements in Section 54.185 as follows:

1. Documentation that the Program is Consistent with PJM Requirements

53. Citizens' and Wellsboro are members of PJM and Wellsboro is a voting member. Wholesale suppliers will continue to be the LSEs for all default service customers in their service territories. Citizens' and Wellsboro will continue to work with PJM to address any technical and credit issues that may arise.

2. Contingency Plans if Wholesale Suppliers Fail to Deliver

54. If the wholesale suppliers fail to deliver energy supply as contracted, or if there are no bidders in the RFP the Companies will, in the interim, obtain replacement supply through the PJM spot markets and pay all ancillary service, capacity and transmission costs on a fully reconcilable basis. In the case of the wholesale supplier's failure to deliver energy as contracted, the impacted Company, or Companies, will contact other entities that submitted bids to the original RFP to assess interest in assuming the non-performing wholesale suppliers' obligations at the price, terms and conditions in place at the time of default. If no wholesale suppliers are willing to assume the contract terms, or in the case of insufficient bidders for the RFP, then the Companies will submit a Contingency Plan to the PUC to replace the interim PJM spot market purchasing plan within 14 days.

3. Copies of Agreements or Forms

a. RFPs

55. To solicit competitive wholesale suppliers to obtain the desired Default Service products, the Companies have prepared the RFP attached hereto as Appendix G. The proposed RFP incorporates best practices developed through the Companies' experience through other procurement processes and with its successful RFP process under the Fourth Joint DSP, Fifth Joint DSP and Sixth Joint DSP.

56. Accordingly, the Companies propose to conduct separate sealed bid RFPs for each service territory, with bids submitted directly to Citizens' and Wellsboro for internal review. To minimize transaction costs, the Companies do not intend to retain a third-party agency to conduct the RFP or review submitted bids. Any bid failing to conform to the RFP will be rejected. Additionally, the Companies will develop a prequalification process for evaluation of credit and technical qualifications. Bids will be reviewed in conformance with the below schedule:

Proposed RFP Schedule	
Dec. 2024	PUC Order Approving DSP
Jan. 27, 2025[31]	RFP Issued
Mar. 24, 2025	Supplier Bids Due by 10:00 AM EPT
Mar. 25, 2025	Confidential Summary of Bid Results Submitted to PUC Bureau of Audits and Bureau of Technical Utility Services by Noon, with a Recommendation of the Supplier to be Awarded the Contract for Each Territory
Mar. 27, 2025	PUC Issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if No Action by PUC, then Recommendations Shall be Deemed Accepted

57. Each Company will independently select the lowest qualifying bid. A single supplier may serve both Citizens' and Wellsboro if the same supplier submits the lowest qualifying bid in both territories.

[31] This date may be adjusted, if necessary, if the Commission's approval is delayed beyond December 2024.

58. Winning bidders will receive a notification from the Companies on March 27, 2025, or earlier if the PUC confirms acceptance of the recommendations in the report earlier than expected.

59. All wholesale supplier bids shall expire at midnight EST on March 27, 2025, unless the Companies provide a wholesale supplier with prior notice of rejection.

60. As specified in the RFP, the wholesale suppliers must provide a Load-Following FR product, as detailed in Section II.A, *supra*. The wholesale suppliers will serve as the PJM Load Serving Entity for customers taking default service from the Companies, assuming responsibility for energy supply, ancillary services, congestion, transmission/distribution system losses, marginal losses, customer load variability, customer migration and customer non-payment.

b. Supply Master Agreement

61. The Commission previously directed the Office of Competitive Markets Oversight to convene a Procurement Collaboration Working Group for the purpose of drafting a uniform supply master agreement ("SMA") template. Citizens' and Wellsboro used the template to draft the proposed SMA attached hereto as Appendix H. This is the SMA that was used in the Sixth Joint DSP, with minor changes to update terms and to reflect the dates for the new contract.

4. Generation Contracts with Customers Greater than Two Years

62. Neither Citizens' nor Wellsboro have any contracts with a customer for generation service that is longer than two years.

5. Proposed Litigation Schedule

63. In anticipation of intervention in this proceeding by interested parties and to ensure adequate time for completion of a competitive bid process prior to implementation of the Seventh Joint DSP, the Companies propose the following litigation schedule:

Proposed Litigation Schedule	
May 31, 2024	DSP and Testimony Filed
June 2024	Prehearing Conference

64. The Companies propose to work out the remainder of the procedural schedule with all parties that intervene.

III. CONCLUSION

Citizens' and Wellsboro propose to implement a competitive bid process to procure Load-Following Full Requirements Contracts for all customers, consistent with the implementation and procurement plan described above. The Companies request the Commission's authorization to do so through approval of this Seventh Joint Default Service Plan.

WHEREFORE, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company respectfully request that the Commission grant this Petition and enter an Order providing:

1. Approval of the Seventh Joint Default Service Plan as presented; and

2. Approval of all necessary waivers of the Commission's Regulations to the extent that the Commission finds the Companies' Seventh Joint Default Service Plan to be inconsistent with its Final Policy Statement, Default Service Regulations, and End State Order.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: May 31, 2024

Counsel for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period June 1, 2025 Through May 31, 2029	:	**Docket Nos.**

VERIFICATION

I, Nathan Johnson, President & CEO of Citizens' Electric Company of Lewisburg, PA, hereby state that the facts above set forth in the foregoing document are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: May 31, 2024



Signature

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period June 1, 2025 Through May 31, 2029	:	**Docket Nos.**

VERIFICATION

I, Byron (Barney) Farnsworth, Jr., President & CEO of Wellsboro Electric Company, hereby state that the facts above set forth in the foregoing document are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: May 31, 2024

Signature

Appendix A

CW Statement No. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2025 Through May 31, 2029	:	Docket Nos.: P-2024- P-2024-

DIRECT TESTIMONY

AND EXHIBITS

OF

BYRON (BARNEY) FARNSWORTH JR

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

CW Statement No. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2025 Through May 31, 2029	:	Docket Nos.: P-2024- P-2024-

DIRECT TESTIMONY OF BYRON FARNSWORTH
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Byron (Barney) Farnsworth Jr. My business address is 33 Austin Street, Wellsboro, Pennsylvania 16901

Q. By whom are you employed and what position do you hold with Wellsboro Electric Company?

A. I am employed by C&T Enterprises, Inc. ("C&T") and assigned to Wellsboro Electric Company ("Wellsboro") as the President and Chief Executive Officer.

Q. What are your duties in that capacity?

A. My duties are to lead and provide general management to Wellsboro. I am also responsible for power supply and regulatory issues.

Q. Please describe your educational background and professional background.

A. I have a Bachelor's Degree in Electrical Engineering from the Rochester Institute of Technology and a Masters Degree from Rochester Institute of Technology with concentrations in Management and Finance. I previously worked at Rochester Gas & Electric and NYSEG for over 23 years in varying roles that increased in responsibility. I started as a lineman, moved into engineering and into Power Control

as an Energy Scheduler/Forecaster. In 1996, RG&E formed an unregulated company, and I was brought in to build out the electric and natural gas supply, pricing models and risk management functions and assumed the same duties for NYSEG Solutions in 2004. During 2008, I started at MX Energy/Constellation Energy and worked in the retail space in Executive roles managing supply, pricing and risk management for various Electric Generation Suppliers ("EGSs") until I was hired by Wellsboro Electric Company in July 2018 as the VP, Engineering & Operations/COO. I became President and CEO in January 2020. I have participated on various ISO committees over the years and most recently sit on the PJM Finance Committee. Currently, I hold Director roles at Growth Resources of Wellsboro ("GROW") and the Wellsboro Area Chamber of Commerce. I'm a Board member with the Energy Association of Pennsylvania ("EAP") and recently-concluded my Vice-Chair role with EAP's, Electric Transmission and Distribution Committee. I sit on several local organizations with an advisory role.

Q. Please describe the purpose of your testimony.

A. My testimony introduces our witnesses and provides a general overview of Wellsboro, its service territory, and its customer base. I will support the decision of Wellsboro and Citizens' Electric Company of Lewisburg, Pa. ("Citizens'") (collectively, the "Companies") to continue procuring default service supply through Load-Following, Full Requirements ("FR") contracts with wholesale suppliers. I also will address the modification that we are proposing to the trigger process for the energy component pricing for the GSSR-1.

Q. Please identify the other witnesses submitting Direct Testimony on behalf of the Companies and describe the general subject areas of their testimony.

A. Mr. Nate Johnson (CW Statement No. 2) will provide a general overview of Citizens', its service territory, and its customer base. Because Citizens' and Wellsboro are under common ownership and of similar size, Mr. Johnson and I work closely together to develop joint regulatory filings and proposals such as this DSP. Mr. Johnson will provide information regarding the Companies' current DSP, including how the DSP complies with the "Prudent Mix" requirement in the Public Utility Code. Mr. Johnson will describe the proposed procurement plan and explain how that strategy is consistent with the Commission's policies and regulations.

Ms. Melissa Sullivan (Citizens'/Wellsboro Statement No. 3) will discuss the formulation of Citizens' and Wellsboro's final Generation Service Supply Rates ("GSSRs") for default customers, which includes a GSSR-1 for Residential and Small Commercial & Industrial ("C&I") customers and a GSSR-2 for Large C&I customers.

LOAD CHARACTERISTICS & SHOPPING

Q. Please provide a brief overview of Wellsboro and its service territory.

A. Wellsboro is a small Electric Distribution Company ("EDC") providing service in the Borough of Wellsboro, Pennsylvania, and surrounding areas of Tioga County. As of December 31, 2023, Wellsboro served 6,456 customers, of which 5,155 were Residential and1,301 were commercial, industrial resale or lighting customers. Wellsboro's service territory is surrounded by the service territory of Pennsylvania Electric Company ("Penelec") and Tri-County Rural Electric Cooperative. Wellsboro does not own any high-voltage transmission facilities or generation resources.

Q. Please describe the Company's peak load characteristics.

A. Wellsboro's historic one-hour electrical load peaked at approximately 18.6 MW in January 2024, with annual electric energy purchases of approximately 97,459 MWh (including transmission losses). Our typical load factor on an annual basis is approximately 59.8%.

Q. Please describe the usage characteristics of Wellsboro's customer classes.

A. Wellsboro's customer base is primarily Residential and Small C&I, with some light manufacturing customers also present in the service territory. Our typical Residential and Small C&I customers exhibit relatively consistent usage patterns (*i.e.*, predominantly on-peak usage). The usage characteristics of our Large C&I customers vary.

Q. Do all customers in Wellsboro's territory currently share similar load profiles and service costs?

A. Yes. With limited exceptions, most of the customers in the Wellsboro territory exhibit fairly consistent load profiles, with consistent peaks experienced across the board. The exceptions may be some of our Large C&I customers, who generally may have better load factors than a typical Residential or Small C&I account.

Q. Have any of Wellsboro's customers bought supply from a third-party Electric Generation Supplier ("EGS")?

A. Yes. Historically, there has been little shopping activity in Wellsboro's territory. However, as of December 31, 2023, we have 59 accounts representing 9 customers that shop for electric supply. After we modified our procurement approach and default

service pricing structure for the larger customers in the Fourth Joint DSP, we experienced an increase in shopping by commercial/industrial accounts.

Q. Do you anticipate shopping will continue to increase during the term of the proposed Seventh Joint DSP?

A. I expect that shopping will remain at current levels or slightly decline.

SIXTH (EXISTING) JOINT DSP

Q. Please describe the Companies' existing DSP.

A. Under the Companies' current DSP, the Commission authorized Citizens' and Wellsboro to conduct a joint RFP to obtain a single wholesale supplier for the default service load in each territory. The supplier provides Load-Following FR service for each respective company's default service customers under a four (4) year contract for this supply (June 1, 2021 through May 31, 2025). The supplier serves as the PJM Load Serving Entity for the default service load. The wholesale service is priced as follows:

Energy (as measured at the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, less kWh for customers supplied by EGSs):

- Residential and Small C&I Default Service: One-half (1/2) of the energy component of the wholesale contract is adjusted every six (6) months based on PJM West Hub on-peak monthly forward pricing on Trigger Dates determined by the Companies; the wholesale rate formula will assume a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing for all MWh sold to customers during the twelve-month (12-month) pricing period.

The other one-half (1/2) of the energy component is composed of another twelve-month (12-month) period calculated the same way, but six (6) months later. This results in a 'laddered approach' where one-half (1/2) of the pricing is adjusted every six (6) months, while avoiding overly sharp pricing swings by relying on a twelve-month (12-month) average. The Companies use the Intercontinental Exchange ("ICE") to set the strip prices.

- Large C&I Hourly Default Service: The energy component of Hourly Priced Service ("HPS") will be the real-time hourly PJM Locational Marginal Price ("LMP") for the PJM West Hub.

Capacity (Reliability Pricing Model, Locational Reliability, Capacity Performance)—passthrough of actual monthly costs for the default service load, without markup.

Network Integrated Transmission Service ("NITS")—passthrough of actual monthly costs for the default service load, without markup.

Regional Transmission Expansion Plan/Transmission Enhancement Costs ("RETP/TEC")—pass-through of actual monthly costs for the default service load, without markup.

Supplier Adder—per-kWh charge applicable to both fixed and hourly energy supply that covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service

customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. The Supplier Adder may be different for each territory but remains fixed for the term of the wholesale contract.

Q. Why is the Supplier Adder the same for all customer classes within a service territory?

A. The Companies considered allowing wholesale suppliers to develop separate Supplier Adders for Residential/Small C&I default service load and Large C&I default service load. This option could result in more precise Supplier Adders, as the dual Adders would be contoured to the cost of serving the defined customer classes. On the other hand, allowing the wholesale suppliers to develop two Supplier Adders would significantly complicate the RFP process. With two Supplier Adders, the Companies would run the risk that an RFP could produce one bid with a lower Residential/Small C&I Adder, and a separate bid with a lower Large C&I Adder, adding complexity and uncertainty to the RFP selection process. The Companies determined that the administrative and operational inefficiencies of splitting the default service load between two wholesale suppliers outweighed any cost-of-service benefits.

Q. How do the Companies choose the wholesale supplier for each territory?

A. The suppliers bid based on the Supplier Adder, with the contract going to the lowest qualified bidder in each territory. Of course, a single supplier can serve both territories if its bids were the lowest in each. Mr. Johnson describes the bidding process in his testimony.

Q. Is the same supplier currently serving the default service load in both territories?

A. No.

Q. Can you provide the pricing of the energy component for the GSSR-1 under the Fourth, Fifth and Sixth Joint DSPs?

A. Yes. Tables showing the Wellsboro's GSSR-1 rates and blended energy component for each six (6) month period are attached as Exhibit BF-1 and Exhibit BF-2, respectively. Generally, the GSSR-1 energy prices have been fairly stable under the current procurement approach, except when wholesale market prices spiked in 2021/2022. Consistent with the Commission's End State Order, the GSSR-1 is designed to be market reflective.

Q. What other benefits have resulted from the Fourth, Fifth and Sixth Joint DSPs?

A. The last few DSPs have simplified the administration for both Companies in comparison to a portfolio approach. It enables both companies to focus our limited personnel on the PJM scheduling and the billing of customers while passing the market risks to a supplier who is positioned to manage that risk. We have fewer decisions to make during the year regarding when to trigger pricing than we would under a portfolio approach. Our credit exposure to PJM is limited to Capacity, NITS and RTEP charges and wholesale supplier exposure has been streamlined as we deal with a single supplier in each territory. Under a portfolio approach, we would have multiple wholesale suppliers and PJM that would each require credit support.

Q. How do the Companies determine when to trigger pricing?

A. We have a four and half month window to declare the pricing Trigger Date. We analyze the historic pricing to determine which months tend to show more favorable pricing. Also, we track forward market prices for 2-3 lock-in periods to understand how prices have varied over time and then incorporate market fundamentals to aide in locking a supply tranche for each company. Additional information that we monitor includes long-term weather forecasts and Natural Gas Storage activity during the injection and withdrawal periods to aide in the understanding of drivers impacting market fundamentals.

Q. Do you believe the general approach taken in the Fourth, Fifth and Sixth Joint DSP (and proposed in the Seventh Joint DSP) has been successful at encouraging a market-reflective product?

A. Yes. As I stated earlier, Capacity, NITS and RTEP/TEC are passthrough costs in the wholesale contract. Because the Commission seems to favor a per-kWh retail default service rate, we believe that having these items as fully reconcilable passthroughs for a majority of customers has alleviated some of the risk on the wholesale supplier. PJM capacity market changes and increased transmission projects that have been increasing the NITS and RTEP rates would require a Supplier to price in risk over a four year term. . We believe the passthroughs have contributed to solid wholesale supplier interest and favorable default service rates for customers. Most importantly, we believe default service customers have been well-served and provided competitive, market-reflective pricing during the Fourth, Fifth and Sixth Joint DSPs.

SEVENTH JOINT DSP

Q. Please explain the pricing schedule for the energy component of the GSSR-1 during the Seventh Joint DSP.

A. For Residential and Small C&I customers served under the GSSR-1, the energy component price will be a fixed-price energy product, subject to 6-month adjustments based on the PJM West Hub on-peak monthly forward pricing at specific dates ("Trigger Dates") selected by each Company. Upon Commission recommendation in the Fourth Joint DSP, the Trigger Dates are not fixed in advance, but the Companies have the flexibility to select favorable dates and the Companies usually try to lock supply on the same day. In the Seventh Joint DSP, the Companies propose to be able to choose a Trigger Date from a defined range of dates in order to obtain the best rate possible. The Companies are proposing the following date ranges for the Trigger Dates:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

Specifically, the energy supply rate charged by the wholesale suppliers will be calculated in two (2) parts. One-half (1/2) of the rate will be the mathematical average

of monthly on-peak per MWh strip pricing for all MWh delivered to the wholesale meter for the respective Company's Aggregate Bus during the next twelve-month (12-month) procurement period. The other one-half (1/2) of the rate will be an identical calculation but six (6) months later, thus creating a "laddered approach." For Large C&I customers, or any Small C&I customer registering a billing demand of 400 kW or above in any single billing period during the last 12 months, the energy component shall be HPS, based on the real-time PJM LMP for the PJM West Hub.

Q. Please explain the Companies proposed change to the trigger process.

A. Currently, we provide the wholesale supplier for the applicable territory with notice one day ahead of our desire to trigger pricing for the territory. We are proposing to change the trigger to a same day process. Specifically, Citizens' or Wellsboro will provide its wholesale supplier with notice by 3:00 pm EPT of the desire to trigger the price. The supplier will lock the price based on the market closing index results that day.

Q. Why are you proposing this change?

A. This change will mitigate the likelihood that the price will change between the time when we make the trigger decision and the lock-in. Under most situations the wholesale commodity prices will remain reasonably stable. However, during the Natural Gas price movement in 2022 the electric prices moved in lock step based on the marginal generation fuel being fed by natural gas. We were seeing daily price movements of a few dollars which makes it important to be able to lock when we are ready to trigger versus placing a trigger order and then having to wait a day later to lock supply. As long as we trigger before 3:00 pm of the day we want to execute this

will enable the wholesale supplier to lock the supply request on the same day without absorbing any execution risk.

Q. Will the Companies need a Congestion Management Plan or an AEPS Procurement Plan?

A. No. Congestion costs, including the associated rights to Auction Revenue Rights and Financial Transmission Rights, and AEPS procurement obligations, for all energy delivered to the Companies, are assumed by the wholesale suppliers. The Companies will not prescribe the specific policies and strategies to be utilized by the wholesale suppliers in meeting their obligations. Such matters will be within the discretion of each wholesale supplier. The principal objective of including these costs in the Supplier Adder is to fix the rates charged to default service customers and transfer the procurement risk to the wholesale suppliers, who are in turn permitted to incorporate their costs in the Supplier Adder. The Companies will remain responsible for the Compliance filing to meet the AEPS obligations for each company. The AEPS Compliance is demonstrated for each Energy Year "EY" (i.e. – June 2023-May 2024) by Company.

Q. How will the wholesale suppliers transfer Alternative Energy Credits ("AECs") to the Companies?

A. The wholesale suppliers will procure the requisite AECs and assign the AECs to the Companies via the Generation Attribute Tracking System ("GATS").

Q. Have the Companies developed a contingency plan for a supplier default?

A. Yes. If a selected wholesale supplier fails to deliver energy supply as contracted, the affected Company, or Companies, will implement an interim contingency plan

relying on its status as a PJM member. The Company will obtain replacement supply through the PJM monthly forward and/or spot markets and pay all ancillary service, capacity and transmission costs on a fully reconcilable basis. While meeting default service obligations using the PJM market, the impacted Company would also contact other entities that responded to the original RFPs to assess interest in assuming the non-performing wholesale supplier's obligations at the price, terms and conditions in place at the time of default. If no wholesale suppliers are willing to assume the contract terms, then the Company will develop and submit a further contingency plan to the PUC within 14 days of the initial delivery failure, as required by the Commission's Order on the Fifth Joint DSP. We also will recover any costs of the spot market procurements over 12 months, as stated in the same Order.

Additionally, in the event that the initial 2025 RFPs fail to yield qualified bids, the Companies would adopt the same procedure. In the third quarter of 2025, the Companies would attempt a new solicitation for service starting January 1, 2026.

Q. Compare the Load-Following FR approach utilized by the Fourth, Fifth and Sixth Joint DSPs to the prior portfolio approach.

A. Both approaches have advantages and disadvantages. The Load-Following FR approach is more consistent with the PUC's policy set forth in the End State Order, exposes Citizens', Wellsboro and the default service customers to less financial risk, and is easier for the Companies to administer. This procurement plan transfers congestion management and AEPS procurement obligations from the Companies to wholesale suppliers and incorporates a 6-month pricing and reconciliation period. The Companies must make a single decision each six months regarding when to

trigger pricing, as opposed to multiple decisions for a portfolio. Based on our size, this reduces the administrative burden on the Companies.

Q. How many customers are currently on the hourly price option?

A. We have three accounts that meet the 400 kW threshold and all are HPS accounts.

Q. Is 400 kW the appropriate threshold for HPS in Wellsboro's territory?

A. Yes.

Q. If the threshold were reduced to 100 kW, how many accounts would be eligible for hourly priced service?

A. **22 accounts**

Q. Has the current procurement approach produced just and reasonable default service rates?

A. Yes. For the GSSR-2 customers, the hourly rates reflect actual energy, transmission and capacity costs as determined by the PJM Markets. We compiled a chart showing our GSSR-1 rates since 2016, which is attached as Exhibit BF-1.

Q. Do you have any comments regarding the non-energy components of the GSSR-1?

A. Yes. We see variability in the non-energy components of the GSSR-1 rates that are pass through costs under the current procurement approach (i.e., capacity, transmission, and RTEP). Those costs are determined by the PJM Markets and FERC tariffs. I would add that those costs were also pass through costs under the portfolio approach, so the change in the procurement approach did not impact this issue.

Q. Do you expect any significant changes in the pass-through costs in the upcoming year?

A. Yes. Wellsboro's transmission costs will be increasing in the upcoming years and becoming more variable due to Penelec transferring its transmission facilities to the Mid-Atlantic Interstate Transmission Company ("MAIT"). PJM in conjunction with Transmission Owners (TO's) have been driving upgrades to the bulk power system to ensure power can flow as generation is retired and aging infrastructure is upgraded to handle new EV, Solar and DER interconnections. There is significant uncertainty in PJM with regard to Capacity market changes and subsequent pricing impacts. The FERC approved a formula transmission rate for MAIT. PPL Electric Utilities, which serves Citizens', also has a formula rate. We also see considerable variability in RTEP costs. Increased transmission projects as required by PJM have been increasing the NITS and RTEP costs for the MAIT and PPL Zones.

Q. Could the Companies avoid this volatility by including transmission and the other pass-through costs in the Supplier Adder?

A. Theoretically, yes; however, this would increase the adder because the wholesale supplier would take on the volatility risk. In addition, some bidders may be unwilling to participate if they cannot accurately project and model those cost elements. Currently, there were filings from PJM to FERC and underlying discussions with PJM members about capacity market changes. This has introduced risk into the Market that is better handled by the Companies as a pass-through. As a result, we believe it is preferable to maintain the transmission and capacity costs as pass through costs.

ELECTRIC VEHICLES

Q. The Commission's recent Secretarial Letter at Docket No. M-2019-3007102 directed parties to address the adoption of time of use rates for Electric Vehicle Charging. Please discuss the Companies' views on this issue.

A. The Companies are actively monitoring issues related to Electric Vehicles. Because the Companies do not have a time of use rate option for residential and small commercial customers, we do not propose to implement one at this time. We will monitor what the larger EDCs propose in their upcoming DSPs.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:	
Electric Company of Lewisburg, PA and	: Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:	P-2024-
of June 1, 2025 Through May 31, 2029	:	

EXHIBITS

OF

BYRON (BARNEY) FARNSWORTH JR

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

Exhibit BF-1

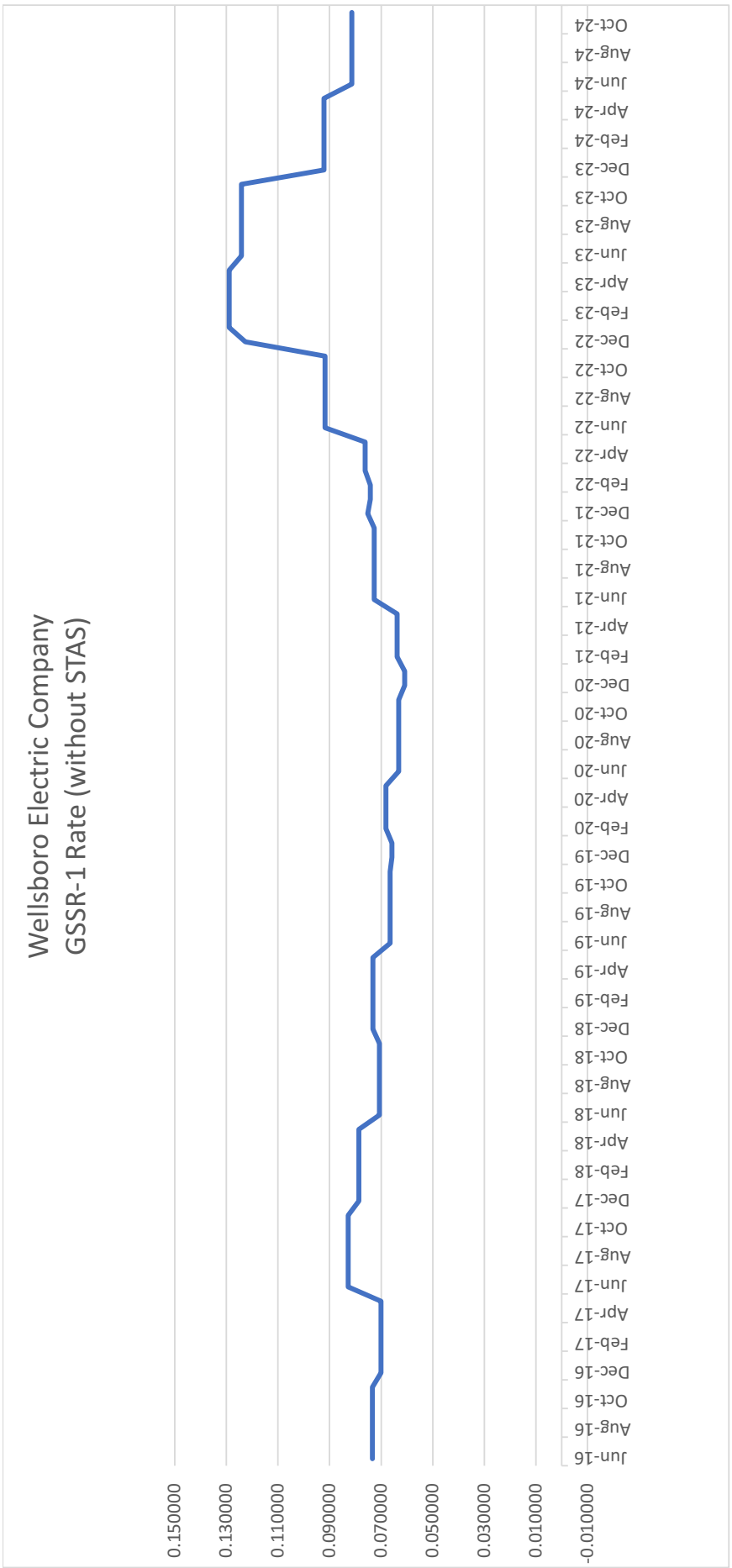

Wellsboro Electric Company
GSSR-1 Rate (without STAS)
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0.130000
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Jun-16
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Exhibit BF-2
Exhibit NJ-2

GSSR -1 Energy Component
June 2016-Present

GSSR APPLICATION PERIOD	(WECO) ENERGY COMPONENT ($/MWh)	(CECO) ENERGY COMPONENT ($/MWh)
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6/1/17 to 11/30/17	39.17	39.17
12/1/17 to 5/31/18	38.45	38.45
6/1/18 to 11/30/18	36.11	36.11
12/1/18 to 5/31/19	38.44	38.44
6/1/19 to 11/30/19	39.34	39.34
12/1/19 to 5/31/20	36.76	36.76
6/1/20 to 11/30/20	33.59	33.59
12/1/20 to 5/31/21	33.24	33.24
6/1/21 to 11/30/21	32.19	32.19
12/1/21 to 5/31/22	36.66	36.66
6/1/22 to 11/30/22	54.82	54.82
12/1/22 to 5/31/23	81.96	81.96
6/1/23 to 11/30/23	84.95	85.81
12/1/23 to 5/31/24	62.51	63.37
6/1/24 to 11/30/24	49.84	49.84
12/1/24 to 5/31/25		

Appendix B

CW Statement No. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

DIRECT TESTIMONY

AND EXHIBITS

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

CW Statement No. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2025 Through May 31, 2029	**:**	**Docket Nos.: P-2024- P-2024-**

DIRECT TESTIMONY OF NATE JOHNSON
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Nathan (Nate) Johnson. My business address is 1775 Industrial Boulevard, Lewisburg, Pennsylvania, 17837.

Q. By whom are you employed and what position do you hold with Citizens' Electric Company of Lewisburg, PA?

A. I am employed by C&T Enterprises, Inc. ("C&T"), and assigned to Citizens' Electric Company of Lewisburg, PA ("Citizens"'), as the President and Chief Executive Officer ("CEO").

Q. What are your duties in that capacity?

A. My duties are to lead and provide general management to Citizens'. I am also responsible for power supply and regulatory issues.

Q. Please describe your educational background and professional background.

A. I have a bachelor's degree in electrical engineering from Bucknell University. I joined Citizens' as the Senior Director of Engineering and Operations in 2018. I served as the Vice President of Engineering and Operations from 2020 through 2023. In 2023, I became President and Chief Executive Officer. Prior to joining Citizens', I held various technical and supervisory roles in distribution engineering and operations with PPL

Electric Utilities in central Pennsylvania. In addition to my degree from Bucknell, I am a graduate of the National Rural Electric Cooperative Association's Robert I. Kabat Management Internship Program at the University of Wisconsin at Madison. I am a licensed professional engineer in the state of Pennsylvania.

Q. Please describe the purpose of your testimony.

A. My testimony provides a general overview of Citizens', its service territory, and its customer base. I also will describe the Joint Default Service Plan ("DSP") that we have developed with Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies"). Our Seventh Joint DSP includes a procurement plan that obtains default service supply through Load-Following, Full Requirements ("FR") contracts with wholesale suppliers. I will explain the bidding process to choose the wholesale supplier(s). I will address how the proposed plan satisfies the Pennsylvania Public Utility Commission's ("PUC" or "Commission") policies and regulations, including the Commission's "End State Order" addressing DSPs for the period after May 31, 2015. *Investigation of Pennsylvania's Retail Electricity Market: End State Default Service*, Docket No. I-2011-2237952, 303 P.U.R. 4th 28 (Feb. 15, 2013) ("End State Order"). Finally, I will describe how the Companies' DSP meets the "Prudent Mix" requirement in the Public Utility Code.

LOAD CHARACTERISTICS & SHOPPING

Q. Please provide a brief overview of Citizens' and its service territory.

A. Citizens' is an investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Commission operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County, Pennsylvania. Citizens' service territory is

surrounded by PPL Electric Utilities Corporation ("PPL"). Citizens' owns no high-voltage transmission facilities or generation resources. As of December 31, 2023, Citizens' served 5,945 residential customers and 1,198 commercial, industrial and lighting customers, for a total of 7,143 customers.

Q. Please describe the Company's peak load characteristics.

A. Citizens' is a winter-peaking utility. Citizens' historic one-hour electrical load peaked at approximately 52 MW. Its summer peak was approximately 38 MW with annual electric energy wholesale purchases of approximately 106,000 MWh for calendar year 2023. The current load factor on an annual basis is approximately 48%.

Q. Does Citizens' have hourly data for individual customers?

A. Yes. Citizens' Advanced Metering Infrastructure provides actual hourly consumption data for all customers. This data is used to reconcile our shopping customer accounts.

Q. Do the average customers within Citizens' customer classes exhibit similar load characteristics?

A. Yes. The majority of our customers are Residential and Small Commercial and Industrial ("C&I") establishments. Based on my experience with the Citizens' system, these customers tend to show similar usage characteristics (*i.e.*, high use of electricity during on-peak periods, lower usage overnight during off-peak periods). Although some of the larger accounts operate 24 hours a day, they also tend to show higher usage during on-peak periods when heating and cooling is required. We do not have any noteworthy heavy manufacturing that would operate at a significantly higher load factor.

Q. Do any of Citizens' customers shop for generation supply service with Electric Generation Suppliers ("EGSs")?

A. Yes. Historically, we had a handful of accounts that shopped immediately following restructuring. Then, we had no shopping accounts for a long time. However, during late 2013 and 2014, Muirfield Energy, Inc., started soliciting Large C&I accounts in the Citizens' service territory to take retail electric supply service. By June 1, 2014, 24 Large C&I accounts had begun shopping, representing 17.5% of Citizens' total annual sales. Notably, Citizens' completed its implementation of Electronic Data Interchange ("EDI") in April 2016. On June 1, 2016, we implemented the revised default service products that the Commission approved in the Fourth Joint DSP. As a result, the default service price for customers that exceed 400 kW is an hourly product. As of March 31, 2024, 70 total accounts are shopping, including 38 (or 95%) of our Large C&I customers.

Q. Do you think that Large C&I shopping within the service territory will continue to increase?

A. I anticipate that shopping will remain consistent near current levels.

Q. Have Citizens' default service rates been stable and reasonable using the current procurement approach?

A. Yes. Attached as Exhibit NJ-1 is a table showing our GSSR-1 rates since 2016. The current procurement approach started in June 2016. Our rates have been very stable since then, except during periods when the wholesale energy markets spiked. The energy component of the GSSR-1 has been stable using the current approach, as shown on Exhibit NJ-2.

RFP PROCESS FOR SEVENTH JOINT DSP

Q. Please describe the RFP document and process for the Seventh Joint DSP.

A. The Companies propose to use the RFP documents and a process that are very similar to our 2015, 2016, 2018 and 2021 RFPs.

We will issue a short RFP describing the requested wholesale product and the process in January 2025. The draft document is attached as Exhibit NJ-3.

We will send it to various wholesale suppliers, and also publish an advertisement in Platts Energy Trader.

Entities that are interested in viewing the customer load data and other information must submit a Notice of Intent to Participate, a Confidentiality Agreement and the Prequalification Documents (listed in Appendix C of the RFP).

We anticipate that we will make the data available on a secure website for the RFP. The bidders also receive a copy of the Supplier Master Agreement, which is attached as Exhibit NJ-4. This SMA is based on the contract developed by the Commission's working group, with some changes to reflect the unique product that the Companies use.

Q. Why are wholesale suppliers required to submit a preliminary bid?

A. The preliminary bids provide wholesale suppliers with an opportunity to submit supplier-specific requests regarding the SMA, and to enable the suppliers to "test" their modeling for the final bids. The preliminary bid includes an indicative bid for the Supplier Adder, any supplier-specific credit requirements, and any proposed modifications to the SMA (provided that such proposed modifications are not

inconsistent with any terms approved in this proceeding). This is consistent with the process used under the Fourth, Fifth and Sixth Joint DSPs.

Q. What kind of credit requirements would the Companies accept from wholesale suppliers?

A. The Companies are willing to conduct additional discussions to determine the appropriate credit requirements. As a potential solution, the Companies are prepared to post a line of credit of up to 1.5x the highest anticipated monthly bill in a pricing period, less a collateral threshold (i.e., the amount of unsecured credit that a wholesale supplier is willing to extend to the respective Company). This credit facility would presumably cover the wholesale suppliers' credit exposure for potential non-payment.

Q. Have you developed a proposed schedule?

A. Yes. The RFP includes the schedule as Appendix B. To minimize transaction costs, the Companies do not intend to retain a third-party agency to conduct the RFPs or review submitted bids. Relying on experience with other procurement processes, the Companies propose to conduct separate sealed-bid RFPs for each service territory. The Companies have developed a prequalification process for evaluation of wholesale suppliers' credit and technical qualifications. Any nonconforming bids will be rejected. For scheduling purposes, the following key deadlines will apply:

Proposed RFP Schedule	
Dec. 2024	PUC Order Approving DSP
Jan. 27, 2025	RFPs Issued
Mar. 24, 2025	Supplier Bids Due by 10:00 AM EPT

Mar. 25, 2025	Confidential Summary of Bid Results Submitted to PUC Bureau of Audits and Bureau of Technical Utility Services by Noon, with Recommendation of the Wholesale Supplier to be Awarded Contract for Each Territory; Companies shall, on the Same Day, also Provide Preferred Suppliers with Confidential Notice of the Tentative Selection.
Mar. 27, 2025	PUC Issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if No Action by PUC, then Recommendations Shall be Deemed Accepted.

If the Parties are able to reach a settlement that the PUC can approve prior to December, the Companies would accelerate the schedule; conversely, if the Commission's approval occurs after December, the Companies will adjust the RFP issuance date.

Q. Once one or more wholesale suppliers complete the bidding process and earn a recommendation from the Companies, how will the selected wholesale suppliers and the Commission be notified?

A. The Companies' selection will remain a tentative recommendation pending Commission approval. On bid day, the Companies will provide confidential written notice to the wholesale suppliers tentatively selected to serve each service territory. The tentative notice will clearly state that final confirmation is subject to Commission approval, which, under the proposal schedule, shall occur no later than March 27, 2025. On March 25, 2025, the Companies will confidentially notify the Commission's Bureau of Audits and Bureau of Technical Utility Services of the bid results, including each Company's recommended selection. Consistent with the deadline for Commission approval of the Companies' recommendation, all wholesale supplier bids shall expire at midnight EPT on March 27, 2025, unless the Companies issue a prior notice of rejection to any wholesale supplier. If the PUC does not act by close of business on

March 27, 2025, the recommendations shall be deemed to have been accepted and the Companies will proceed with executing the contracts.

Q. Will the selected wholesale supplier have discretion to design a specialized supply portfolio?

A. Yes. The proposed procurement plan requires the wholesale suppliers to deliver the product specified in the RFP, but the suppliers reserve discretion to design the supply portfolio that is required to deliver our product.

Q. Are the Companies proposing a minimum bidder requirement for the Seventh Joint DSP?

A. No. The Companies now have experience with four RFPs that included eleven (11) total final bids for each territory. The costs included in the Supplier Adder are relatively stable in the PJM Markets. We believe that the prior bids and historic PJM data can be used in conjunction with future RFPs as an indication of whether the bids we receive are appropriate.

END STATE ORDER

Q. Are you familiar with the requirements of the Commission's End State Order?

A. Yes. I understand that the Commission's End State Order established several guidelines generally intended to transition EDCs toward more market reflective default service products. The principal directives to EDCs from the End State Order are as follows:

Retain default service provider obligations

Develop market-reflective rate changes and reconciliations

Develop DSPs for two-year periods

Provide hourly priced service ("HPS") for any customers with a registered peak demand at or above 100 kW and interval metering

Support Accelerated Switching (Seamless Moves and Instant Connects)

Q. Does the proposed Seventh Joint DSP meet the directives in the End State Order?

A. In principle, yes. As with the last DSP, the Companies are requesting waivers of certain provisions from the End State Order to contour certain directives to the circumstances of smaller EDCs. To that end, the Companies request leave to: (1) establish a four-year DSP for the period June 1, 2025, through May 31, 2029; and (2) offer HPS only to Large C&I customers registering a peak demand at or above 400 kW at least one time in the preceding 12 billing periods. These waivers are similar to those that were approved by the Commission for the Fourth, Fifth and Sixth Joint DSPs.

Q. Why are the Companies proposing a four-year term through May 31, 2029, for the proposed DSP?

A. There are four principal reasons justifying the proposed four-year term. First, smaller EDCs operate with limited personnel resources. Designing and implementing default service plans requires a significant time investment for the Companies' leadership and staff. A two-year DSP period would require the Companies to begin preparation for the next DSP almost immediately upon receiving Commission approval of the DSP. This process results in an inefficient use of Company resources and an ineffective use of ratepayer revenue.

Second, the proposed four-year term will benefit ratepayers by extending the amortization period for recovery of costs incurred to prepare and litigate the Seventh Joint DSP and the costs of administering the 2025 RFP process. As these costs would

remain relatively flat whether incurred in preparation of a two-year plan, a three-year plan or a four-year plan, ratepayers would be better served by spreading out the amortization over a four-year plan. A three-year term was approved in the Fourth and Fifth Joint DSPs and a four-year term was approved for the Sixth Joint DSP which has worked well for the Companies and ratepayers. We believe that a four-year plan will enhance those benefits.

Third, the Companies are significantly smaller than most other EDCs operating in Pennsylvania and lack the economies of scale available to large EDCs. Accordingly, certain default service regulations and policies developed by the Commission may be feasible for larger EDCs, but less than ideal for the smaller EDCs. The Commission has previously addressed such situations by granting waivers where appropriate. In this situation, I believe that affording the Companies an extended opportunity to study the evolution of default service models developed by larger EDCs would help Citizens' and Wellsboro design more innovative solutions for future DSPs.

Fourth, I am advised by counsel that the Commission has, on various occasions, approved default service plans for EDCs of three or more years in duration, including our Sixth Joint DSP.

Q. Why do the Companies seek waiver of the Commission's suggestion to provide HPS for customers with a registered peak demand at or above 100 kW?

A. In service territories with more mature competitive retail markets, the 100 kW demarcation for HPS may be appropriate because any affected customers dissatisfied with HPS can take advantage of fixed price offers from competitive retailers. Although shopping has increased, customers with peak demands below 400 kW may have limited

options beyond default service. To provide more stable pricing for customers with registered peak demands between 100 kW and 400 kW, the Companies propose to implement a more moderate 400 kW peak demand threshold for HPS.

Q. How many accounts meet the 100 kW or 400 kW threshold?

A. Citizens' has seven accounts that meet the 400 kW threshold, while 47 accounts (inclusive of those exceeding 400 kW) exceed the 100 kW threshold.

Q. Are there any other considerations related to the requested 400 kW peak demand threshold for HPS?

A. Yes. The Companies are proposing the 400 kW peak demand threshold with the expectation that competitive retail will continue to remain available to Large C&I customers in the service territories. If competitive supply becomes widely unavailable for such customers for an extended period of time, the Companies reserve the right to propose mid-course modifications to the Seventh Joint DSP as necessary to ensure reasonable price stability for the Large C&I customers.

Q. Aside from the requested waivers, how does the Seventh Joint DSP provide a more market-reflective default service product consistent with the End State Order and the Commission's Default Service Regulations?

A. With the waivers in place, the Load-Following FR contract terms set forth in the RFP require any wholesale suppliers serving the Companies to offer default service products featuring energy components tied to objective market indices.

Q. Do you believe that the proposed Seventh Joint DSP, with requested waivers, is in compliance with the Public Utility Code, the Commission's regulations and the End State Order?

A. Yes. While I am not an attorney, I believe that the Seventh Joint DSP, as proposed, is in compliance with the letter and the spirit of the Customer Choice Act, as amended by Act 129, and the Commission's default service regulations, 52 Pa. Code §§ 54.181 *et seq.*, the Policy Statement on Default Service, 52 Pa. Code §§ 69.181 *et seq.*, and the End State Order.

As I understand the Companies' default service obligations, the Competition Act, as amended by Act 129, sets forth guidelines for the procurement of electricity by default service providers, requiring in part that a "prudent mix" of spot market, short-term contracts, or long-term contracts (between four years and twenty years) be procured. *See* 66 Pa. C.S. § 2807(e)(3.2); *see also* 66 Pa. C.S. §§ 2801 *et seq*. This directive was refined by the End State Order, which instructed EDCs to replace longer term products with market-reflective products. I believe that the proposed Seventh Joint DSP provides a "prudent mix" with respect to Citizens' and Wellsboro's load profile given the four-year Supplier Adder and the dual application of fixed-price supply for laddered 12-month periods and HPS.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

EXHIBITS TO
DIRECT TESTIMONY

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

Exhibit NJ-1

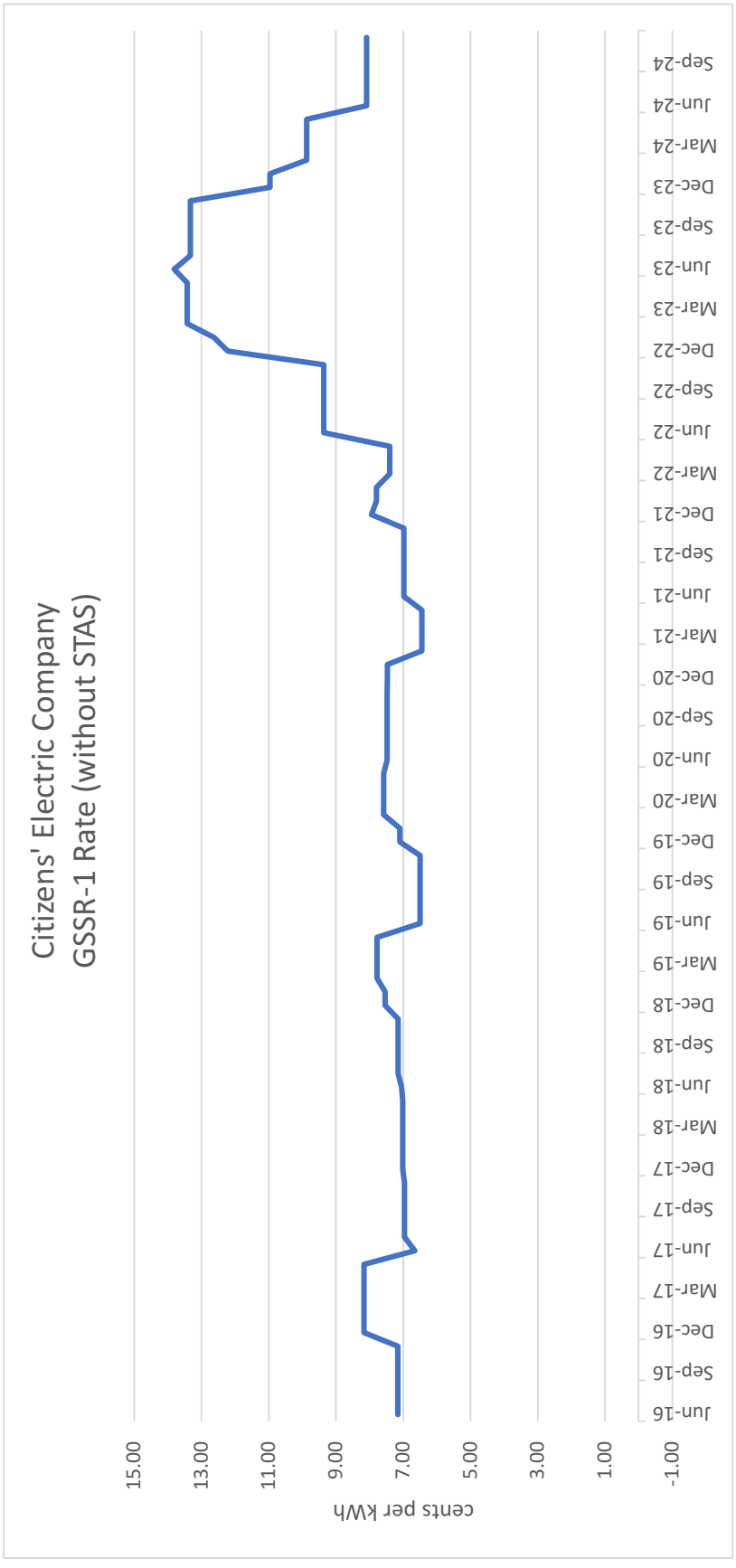

Citizens' Electric Company
GSSR-1 Rate (without STAS)
cents per kWh
15.00
13.00
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7.00
5.00
3.00
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Sep-16
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Exhibit BF-2
Exhibit NJ-2

GSSR -1 Energy Component
June 2016-Present

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REQUEST FOR PROPOSAL
FULL REQUIREMENTS SUPPLY SERVICE
FOR CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA
AND WELLSBORO ELECTRIC COMPANY

JANUARY XX, 2025

I. INTRODUCTION

Through this Request for Proposals ("RFP"), Citizens' Electric Company of Lewisburg, PA ("Citizens'") and Wellsboro Electric Company ("Wellsboro") (collectively "Companies") seek proposals to provide full requirements wholesale supply necessary to serve their retail Default Service Provider ("DSP") customers. The Companies invite qualified wholesale electric generation suppliers ("Suppliers" or "Supplier") to submit their qualifications and proposals to provide either or both of the Companies with firm electricity supply service (i.e., load-following firm energy including applicable losses, Alternative Energy Portfolio Standards ("AEPS") compliance, and ancillary services) for the period from June 1, 2025 through May 31, 2029, with Network Integrated Transmission Service ("NITS"), Reliability Pricing Model Auction ("Capacity"), and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") costs as a passthrough of PJM charges. All proposals will be evaluated based on the criteria within this RFP to determine which Suppliers' or Supplier's proposal best satisfied Citizens' and Wellsboro's objectives.

II. CITIZENS' BACKGROUND

Citizens' is an investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Pennsylvania Public Utility Commission ("PUC") operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County and West Chillisquaque Township in Northumberland County, Pennsylvania. Citizens' service territory is surrounded by PPL Electric Utilities Corporation ("PPL"). Citizens' owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Citizens' serves approximately 5,945 residential customers and 1,198 commercial and industrial customers. Citizens' currently has a PUC-approved wholesale

supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Citizens' seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Citizens' connects to PPL's system with two supply lines at 69 kV bus terminals at the Citizens' St. Mary's substation. Citizens' has a pricing point at PJM that is designated as the Citizens' Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Citizens' and PJM to ensure that the wholesale supply necessary to serve Citizens' customers is delivered to this point.

Citizens' is a winter-peaking utility. Citizens' historical electrical load for winter peaked at approximately 52 MW in February of 2015. These peak loads include coincident output from a behind the meter, customer owned cogeneration facility (5.5 MW coincident with the 2015 system peak and an all-time peak of 6.7 MW in 2014). Actual delivered peak loads to Citizens' bus were 46.4 MW and 43.4 MW respectively. Excluding energy supplied by EGS's, Citizens' default energy purchases were 117,788 MWh in 2023 and 138,433 MWh in 2022. Based on total energy delivered and peak load delivered, Citizens' current load factor on an annual basis is approximately 48%. Upon execution of a Confidentiality Agreement, Citizens' will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Citizens' website at *www.citizenselectric.com.*

III. WELLSBORO'S BACKGROUND

Wellsboro is an investor-owned EDC under the jurisdiction of the Pennsylvania PUC operating in Wellsboro Borough, Charleston, Delmar and Middlebury Townships in Tioga County, Pennsylvania. Wellsboro's service territory is surrounded by Pennsylvania Electric

Company ("Penelec") and Tri-County Rural Electric Cooperative. Wellsboro owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Wellsboro served 5,155 residential customers and 1,301 commercial and industrial customers. Wellsboro currently has a PUC-approved wholesale supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Wellsboro seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Wellsboro connects to Penelec's system with a single 115 kV line at the Wellsboro substation. Wellsboro has a pricing point at PJM that is designated as the Wellsboro Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Wellsboro, Penelec and PJM to ensure that the wholesale supply necessary to serve Wellsboro's customers is delivered to this point.

Wellsboro's historical electrical load for winter 2023/2024 peaked at approximately 18.6 MW in January of 2024, with a historical peak load for winter 2022/2023 of approximately 19.7 MW in December 2022. Wellsboro's system energy purchases were 97,458 MWh for calendar year 2023 and 101,458 MWh for calendar year 2022. The current load factor on an annual basis is approximately 59.8%. Upon execution of a Confidentiality Agreement, Wellsboro will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Wellsboro's website at *www.wellsboroelectric.com.*

IV. SCOPE OF SERVICES

The Companies are subject to regulation by the Pennsylvania PUC and must provide DSP electricity supply services to customers within their service territories in accordance with PUC regulations. On December 3, 1996, Pennsylvania Governor Thomas Ridge signed the Electricity

Generation Customer Choice in Competition Act ("Competition Act"). The Competition Act provides all retail electric customers with the right to obtain electricity supply from an alternate Electric Generation Supplier ("EGS") rather than their certificated EDC. Despite this direct access right, the Competition Act also established DSP service to be made available to retail customers who have not elected to receive electricity supplies from an EGS. DSP generation service is available to customers who do not choose to obtain generation supply from an EGS, who cannot find an EGS, whose chosen EGS fails to provide service, or who have purchased supply from an EGS and returned to DSP service. The Companies have retained the obligation to provide DSP service to customers within their service territories and anticipate remaining as the DSP through the duration of any contracts executed as a result of this RFP. The Commission has approved a formula to calculate the Companies' respective retail DSP rates. To date, Citizens' and Wellsboro's customers have expressed some interest in obtaining service from EGSs; however, this interest has been focused on larger commercial accounts.

The wholesale supply service requested in this RFP includes all energy, ancillary services, losses, NITS, Capacity, RTEP, AEPS and other costs necessary to provide a secure, reliable source of energy to the Companies to meet their respective load obligations. The objective of this RFP is to solicit, evaluate, and select one supplier that can provide firm, full requirements, load-following wholesale electricity generation services necessary for each territory; however, if a single supplier is the lowest bidder in both territories, then that single supplier may be awarded both contracts.

The selected Supplier(s) must provide sufficient energy to meet its supply obligations (defined as the Companies' actual DSP load requirement, including all losses)[1] on a 7x24 basis. The Supplier(s) may provide such services from any source, provided that all applicable PJM requirements are met. The Companies will be obligated to take from the supplier(s) the energy required to serve their DSP load and will use the energy exclusively to satisfy their DSP requirements. The Supplier(s) will be responsible for all load variability, including variability due to weather, usage changes, customer migration and customer decisions to obtain electricity supply from an EGS. The Supplier(s) will serve as the Load Serving Entity for the respective Company's(ies') DSP service.

For purposes of this contract, Citizens' and Wellsboro's DSP customers will be split into two classes. Customers in each territory with demands of 400 kW or more will be offered hourly DSP service. Customers in each territory with demands below 400 kW will be offered fixed price DSP service that changes every six months based on the PJM West Hub on-peak forward pricing strip at the trigger date. The Supplier(s) will compete through bids on a Supplier Adder that will be added to the strip price or PJM West Locational Marginal Price ("LMP") (plus the passthrough items and taxes) to produce the retail DSP rates. The Supplier Adder will remain fixed for the four-year term and should reflect all risks and costs except Capacity, NITS and RTEP. Those risks include variability between the actual prices and forward strip price used to develop the retail DSP rate. The same Supplier Adder will apply to the hourly DSP service for customers with demand of 400 kW or larger.

[1] The Companies' actual DSP load requirement will be defined to be net of: (1) any capacity and/or energy that they are required to purchase from any Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act of 1978; (2) the capacity and energy requirements of customers that are served from their co-generation or other behind the meter facilities that operate in parallel with the Companies' system; and (3) the capacity and energy requirements of customers that are served by an EGS. One QF is located within Citizens' service territory. The Companies have various additional customers with existing or planned behind the meter generation. More information will be provided to suppliers who participate in the RFP.

Attached as Appendix A is a "Scope of Obligation" describing the desired wholesale product, the billing and payment provisions and other key terms of the RFP.

V. BID INFORMATION FORMAT

The Companies seek bids for a four-year term with service starting on June 1, 2025.

The Companies request that suppliers submit bids on an all-in cent per kWh Supplier Adder for all load. Citizens' DSP load requirement as measured at the Citizens' Aggregate Bus. Wellsboro's DSP load requirement as measured at the Wellsboro Aggregate Bus. The prices should not include any Gross Receipts Tax or Sales Tax. Preliminary responses are due by March 10, 2025, and should include an indicative bid, any changes to the appendices in the Pennsylvania Universal Supplier Master Agreement, and credit expectations. The Companies propose to each provide a Letter of Credit for each pricing period equal to the difference between (a) 1.5 times the highest anticipated monthly invoice for the pricing period and (b) the unsecured collateral threshold agreed to between the parties based on the respective Company's financial condition. Collateral Thresholds and a Mark-to-Market Mechanism for the wholesale supply obligation should be proposed by each Supplier in its indicative bid. The Companies will engage in contract and credit negotiations with interested bidders between March 10, 2025, and the Final Bid Date of March 24, 2025. Final Bids must be submitted by 10 AM Eastern Prevailing Time on March 24, 2025. A supplier may bid on either territory or both territories (specifying the Supplier Adder for each), however, they must serve both the Fixed and HPS classes for each respective Company. E-mail proposals will be accepted; however, the bidder bears the risk of any failure or errors in delivery whether due to the operation of the bidder's equipment or the Companies' equipment. Facsimile proposals will not be accepted. Bids should be submitted to the following individuals:

Nate Johnson
President & Chief Executive Officer
Citizens' Electric Company
of Lewisburg, PA
1775 Industrial Boulevard
Lewisburg, PA 17837
johnsonn@citizenselectric.com

Byron Farnsworth Jr.
President & Chief Executive Officer
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901
barneyf@ctenterprises.org

Adeolu A. Bakare, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com

Pamela Polacek, Esquire

C&T Enterprises, Inc.

ppolacek@ctenterprises.org

VI. INQUIRIES AND RESPONSE

The Companies will entertain reasonable requests for further information or clarification regarding this RFP. Inquiries or questions regarding Citizens' should be directed to Nate Johnson (570) 522-6141/johnsonn@citizenselectric.com or Adeolu Bakare at (717) 237-5290/ abakare@mcneeslaw.com. Inquiries or questions regarding Wellsboro should be directed to Byron Farnsworth Jr. at (570) 724-6701/barneyf@ctenterprises.org or Adeolu Bakare at (717) 237-5290/abakare@mcneeslaw.com.

VII. RESERVED RIGHTS

The Companies, without qualification and at their sole discretion, reserve the right to take any of the following actions: (1) withdraw and terminate this RFP at any time prior to the execution of the Supplier Master Agreement; (2) reject or accept bids for any reason or to waive any informality or technicality in bids received; (3) modify or waive the process or any of the criteria described in this RFP; (4) reject or refuse to evaluate bids received for failure to meet any criteria described in this RFP; and/or (5) reject or refuse to evaluate any bids that are incomplete, inaccurate, conditional, non-specific or not in conformance with the requirements of this RFP.

The Companies will not be liable or responsible to any bidder or third party for an exercise of their rights under this paragraph.

In addition, the Companies make no representation or warranty as to the accuracy of information provided as part of this RFP including load forecasts. This RFP and any information provided by the Companies as part of this process are provided to assist interested parties in making an evaluation of the proposed transaction but do not purport to contain all of the information that bidders may require. Interested parties should conduct their own independent investigations and analyses to form their opinions as to whether to participate in the proposed transaction. Any discussion of tariff requirements, legislation or regulation is provided for convenience, and no representation is made that this RFP or any information conveyed as part of this process provides a complete explanation of tariff requirements, legislation or regulations.

APPENDIX A

SCOPE OF OBLIGATIONS

REQUEST FOR PROPOSALS

CITIZENS'/WELLSBORO
DEFAULT SERVICE PLAN
FOR JUNE 2025 – MAY 2029

The Default Service Plan approved for Citizens' and Wellsboro by the Public Utility Commission ("PUC") authorizes the Companies to seek a full requirements wholesale supplier for each territory to provide fixed price service to all residential and small commercial/industrial customers (under 400 kW billing demand in every billing period during the prior 12 months) and hourly priced service for large commercial/industrial customers (400 kW or higher billing demand during any billing period for the prior 12 months)

1. The Companies will conduct a joint RFP to separately award each territory to a wholesale supplier. The territories will be awarded to different suppliers unless the same supplier submits the lowest qualifying bid in each territory.
2. Four (4) year arrangement (June 1, 2025 through May 31, 2029)
3. The supplier will provide full requirements, load following service for the respective Company's DSP customers. The supplier will serve as the PJM Load Serving Entity for the default service load. The wholesale service will be priced as follows:
    a. RPM Auction (Capacity) —passthrough of actual monthly costs for the DSP load, without markup
    b. Network Integrated Transmission Service (NITS)—passthrough of actual monthly costs for the DSP load, without markup
    c. Regional Transmission Expansion Plan/Transmission Enhancement Charges (RTEP)—passthrough of actual monthly costs for the DSP load, without markup
    d. Energy (as measured at the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, less kWh for customers supplied by Electric Generation Suppliers ("EGSs") scaled up for losses):
        i. <u>Residential and Small Commercial/Industrial Default Service – Fixed Price:</u>
            a) 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during a 12-month pricing period.
            b) The remaining 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during the 12-month pricing period commencing 6 months after the start of the prior 12-month pricing period.
            c) Both the first and last six-month calculation periods shall use a modified 6-month pricing period for 50% of the energy component, with the remaining 50% priced during a 12-month pricing period. The "bookend" pricing for these 6-month and

12-month pricing periods shall also be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers.

d) The following provides a detailed illustration of the pricing formula described above, including the bookend pricing for the first and last 6-month calculation periods:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

e) The Company shall provide the supplier with notice by 3:00 PM EPT of the Trigger Date.

ii. Large Commercial/Industrial Default Service – Hourly Priced: The energy component of hourly priced service will be the real time hourly PJM Locational Marginal Price ("LMP") for the PJM West Hub.

iii. The supplier and/or Citizens' and Wellsboro (as applicable) will establish procedures to ensure that the supplier can separate the hourly energy deliveries to the Aggregate Bus that are to be priced at the hourly LMP. In addition, procedures will be developed to ensure that the load served by the EGSs is appropriately separated and reconciled for PJM purposes. The Companies have installed EDI.

e. Supplier Adder: A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards

("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. The Supplier Adder may be different for each territory but, will remain fixed for the four (4) year contract term.

4. The supplier for each territory will be assigned any Auction Revenue Right and Financial Transmission Right opportunities for the default service load during the term of the wholesale contract (June 1, 2025 through May 31, 2029). The Company shall have access to the ARR and FTR data for use in subsequent RFPs.
5. In the RFP, the suppliers will compete based on the Supplier Adder bid, with the contract for each territory going to the lowest qualified bidder.
   a. Pre-qualification process to be determined to confirm credit and ability to perform.
   b. Sealed bid RFP will be conducted by Citizens' and Wellsboro, and their attorneys/advisors. The Companies will not employ an outside agency such as NERA for this procurement.
   c. Non-conforming bids may be rejected.
   d. Results will be submitted to the PUC for review and confirmation within 3 business days after the bids are reviewed by the Companies.
   e. The Pennsylvania Universal Supplier Master Agreement developed by the EDC Working Group will be used, with modifications as necessary to reflect the product description and credit terms that are specific to the contemplated transactions.
   f. Bids shall expire at the earlier of the time that Citizens' and Wellsboro notify the supplier that the bid proposal has been rejected or at midnight EPT on the day that the PUC is expected to act.
   g. Schedule:
      i. January __, 2025: RFP released
      ii. Confidentiality Agreement Executed
      iii. Supplier Q&A, Access to Load Data, Credit Review
      iv. March 10, 2025: Preliminary Response (indicative bid, contract changes, credit terms)
      v. March 24, 2025: Supplier Bids Due by 10:00 AM EPT
      vi. March 25, 2025: Confidential Summary of Bid Results Submitted to the Commission's Bureau of Audits and Bureau of Technical Utility Services by Noon, With Recommendation of the Supplier to be Awarded the Contract for Each Territory
      vii. March 27, 2025: PUC issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if no action by PUC, then Recommendations shall be deemed to have been accepted
6. The supplier shall issue a monthly invoice no later than seven calendar (7) days after the prior month deliveries are completed to the Aggregate Bus. The supplier will be paid monthly through ACH, the first Business Day after the 19th day of each calendar month after Supplier has sent the invoice to the Company. If the due date falls on a weekend or holiday, then the due date shall be the next business day. The invoice will be sufficiently detailed to enable Citizens' or Wellsboro to confirm and reconcile the costs, including separation of the costs between the fixed and hourly loads, and confirmation of EGS-supplied load. The parties will work together to establish the bill format.

7. Customer bills will be issued monthly in 4 cycles, consistent with Citizens' and Wellsboro's current billing practices. Citizens' and Wellsboro will bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers.

APPENDIX B

RFP SCHEDULE

Citizens'/Wellsboro Distribute RFP	January __, 2025
Suppliers Return: A. Notice of Intent to Participate B. Confidentiality Agreement(s) C. Requirements of Prequalification Standards	
Citizens'/Wellsboro Issue Bid Packet: A. Load Data B. Bid Form C. Contract	
Preliminary Responses Due Contract Appendix Changes Credit Terms Indicative Bid	March 10, 2025 (3:00 PM)
Final Bids Due	March 24, 2025 (10:00 AM)
Preliminary Notification of Winning Supplier(s)	March 24, 2025 (2:00 PM)
PUC Submission with Confidential Report	March 25, 2025 (by 12:00 PM)
PUC Secretarial Letter Accepting or Rejecting Process	March 27, 2025
Bid Day Requirements: Bids due by 10:00 AM Preliminary Winning Bidders will be notified and must hold bid open until PUC action on March 27, 2025	

Pre-Qualification Standards & Documents

To be eligible to receive a Bid Packet and submit a proposal, interested bidders must submit responses to and evidence of its ability to satisfy the following qualification standards for the duration of the agreement. This information must be submitted to obtain access to the Confidential portion of the website.

1. Executed Notice of Intent to Participate.
2. Executed Confidentiality Agreement(s).
3. Two years of current audited financial statements, most current quarterly reports and quarterly updates thereto.
4. Membership status at PJM.
5. A letter from PJM confirming satisfaction of PJM's creditworthiness standards for all PJM purposes.
6. A letter from PJM confirming that PJM’s Risk Policy Guidelines last updated in May 2024 have been met in full.
7. Current status of a PJM Load Serving Entity or evidence it will become an LSE by the first date of service.
8. Confirmation of being a signatory to the PJM Open Access Transmission Tariff, Reliability Assurance Agreement, Operating Agreement and other applicable PJM agreements appropriate for an LSE.

SUPPLIER MASTER AGREEMENT

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

OR

WELLSBORO ELECTRIC COMPANY

SEVENTH DEFAULT SERVICE PLAN

JUNE 1, 2025 – MAY 31, 2029

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SUPPLIER MASTER AGREEMENT
FOR SEVENTH DEFAULT SERVICE PLAN
JUNE 1, 2025 – MAY 31, 2029

THIS SUPPLIER MASTER AGREEMENT, made and entered into this __ day of March, 2025, by and between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** (the "Company" and "Buyer"), a corporation and a public utility organized and existing under the laws of the Commonwealth of Pennsylvania and **[Winning Bidder]** ("DS Supplier"), the Company and the DS Supplier hereinafter sometimes referred to collectively as the "Parties", or individually as a "Party",

WITNESSETH:

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Pennsylvania Public Utility Commission ("PaPUC" or "Commission") Orders issued pursuant to the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, direct Buyer to supply electric service to Default Service Load within Buyer's Pennsylvania franchise service territory; and

WHEREAS, the PaPUC has found that, for periods further identified in Appendix C it would serve the public interest for the Company to secure Default Service Supply ("DS Supply") through a competitive procurement process ("DS Solicitation") and the PaPUC has approved such a process; and

WHEREAS, the Company has conducted and completed a successful DS Solicitation for the provision of DS Supply, and the DS Supplier was one of the winning bidders in the DS Solicitation; and

WHEREAS, pursuant to the competitive bidding procedures of the DS Solicitation, the Company and the DS Supplier desire to enter into this Agreement setting forth their respective rights and obligations concerning the provision of DS Supply.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1: DEFINITIONS

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

Alternative Energy Credit or "AEC" – Shall have the meaning ascribed thereto in the AEPS Act.

AEPS Act – The Pennsylvania Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8.

Affiliate - means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Allocated AECs – Shall mean the types and amounts of AECs specified on Appendix E.

Alternative Energy Portfolio Standards or "AEPS" – Standards requiring that a certain amount of electric energy sold to retail electric customers in the Commonwealth of Pennsylvania be comprised of electricity generated from alternative energy sources, as measured by AECs, in accordance with the requirements of the AEPS Act and provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2812-14, in effect on the Effective Date including, without limitation, any subsequent increases in Tier I requirements under 66 Pa.C.S. § 2814.

Ancillary Services – Shall have the meaning ascribed thereto in the PJM Agreements.

Applicable Legal Authorities – Those federal and Pennsylvania statutes and administrative rules and regulations that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.

Auction Revenue Rights or "ARR" – The current or any successor congestion management mechanisms as may be employed by PJM (whether set forth in the PJM Agreements or elsewhere) for the purpose of allocating financial congestion hedges or financial transmission auction revenue rights. As currently defined by PJM, ARRs are entitlements allocated annually by PJM which entitle the holder to receive an allocation of the revenues from the annual auction of financial transmission rights conducted by PJM pursuant to the PJM Agreements.

Bankruptcy Code – Those laws of the United States of America related to bankruptcy, codified and enacted as Title 11 of the United States Code, entitled "Bankruptcy" and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

Billing Month – Each calendar month during the term of this Agreement.

Business Day – Any day on which the Company's and PJM's corporate offices are open for business and commercial banks are not authorized or required to close in New York, New York.

Capacity – "Unforced Capacity" as set forth in the PJM Agreements, or any successor, measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

Change in Law - means, in each case to the extent not reasonably foreseeable as of the Effective Date, the enactment, adoption, promulgation, issuance, amendment, modification, revocation or repeal of, or any change in the interpretation of, any applicable law or rule by any governmental agency after the Effective Date.

Charge – Any fee, charge or other amount that is billable by the Company to the DS Supplier under this Agreement.

Commercial Class – Group of Rate Schedules that comprise the Commercial Class for DS Supply and itemized in Appendix C.

Company – **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]**

Costs – With respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

Customer – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff, eligible to receive competitive electricity supply from an EGS or DS, respectively, in accordance with the Applicable Legal Authorities.

Damages – Financial compensation from the Defaulting Party to the Non-Defaulting Party associated with the occurrence of an Event of Default or an Early Termination of this Agreement. This compensation shall be assessed pursuant to Article 5 of this Agreement.

Defaulting Party – A Party to this Agreement that has caused or precipitated an Event of Default or an Early Termination of this Agreement.

Default Service or "DS" – Electric generation service that is provided at retail pursuant to the Applicable Legal Authorities under the Company's retail electric tariffs and under

any other agreements or arrangements between the Company and Customers, to any Customer that is not being served by an EGS.

Default Allocation Assessment – shall have the meaning ascribed to it under the PJM Agreements.

Delivery Period – The delivery period specified in Appendix C.

DS Customer(s) – Retail customers who are provided Default Service pursuant to the terms of this Agreement, the Applicable Legal Authorities and the Company's retail tariffs.

DS Fixed Percentage – The percentage of DS Supply provided at a fixed price, as set forth in Appendix C.

DS Fixed Price – The price in dollars per MWh equal to the index quotation for the applicable Pricing Period as determined on the Trigger Date plus the Supplier Adder, as set forth in Appendix C hereto, as determined pursuant to the DS Solicitation.

DS Load – The aggregate load of DS Customers being provided DS Supply.

DS Solicitation – The competitive bidding processes, procedures and rules employed by the Company to competitively procure DS Supply for purposes of this Agreement.

DS Supplier – An entity that (i) has been selected through the DS Solicitation and has accepted the obligations and associated rights to provide DS Supply to the Company for retail customers in accordance with the Applicable Legal Authorities, (ii) has entered into this Agreement with the Company as a Party, and (iii) is a PJM Member and registered with PJM as a LSE.

DS Supplier Representative – Any officer, director, employee, consultant, contractor, or other agent or representative of the DS Supplier in connection with the DS Supplier's activity under this Agreement. To the extent the DS Supplier is a division or group of a company, the term DS Supplier Representative does not include any person in that company who is not part of the DS Supplier division or group.

DS Supplier Responsibility Share – The fixed percentage share of the Company's DS Load for which the DS Supplier is responsible as set forth in Appendix C.

Default Service Supply or "DS Supply" – All necessary Energy, Capacity, AECs for AEPS Act compliance, Ancillary Services, and transmission services including Network Integration Transmission Service, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, and such other services or products that the DS Supplier may be required, by PJM or any governmental body having jurisdiction, to provide in order to meet the DS Supplier Responsibility Share for serving DS Load under this Agreement and as detailed in Appendix C. For the avoidance of doubt, any reference in this Agreement to any other agreement for DS Supply shall

include any agreement between the Parties for the provision of Energy to serve DS Load, even if such other agreement does not require delivery of additional products (e.g., Capacity).

DS Tariffs – The Company's existing schedules of rates and services provided to retail customers as currently on file with the Commission and on the Company's website at EDC website, as they may be amended from time to time.

Delivery Point – Means the applicable bus of the Company as designated by PJM.

DS Variable Percentage – The percentage of DS Supply provided at a variable price, as set forth in Appendix C hereto**.**

DS Variable Price – The hourly price in dollars per MWh as determined by PJM for the PJM Western Hub plus the Supplier Adder, as set forth in Appendix C hereto.

Early Termination – Termination of this Agreement prior to the end of the term due to the occurrence of an Event of Default as specified in Article 5.2 of this Agreement and the declaration of Early Termination.

Early Termination Date – The date upon which an Early Termination becomes effective as specified in Article 5.2 of this Agreement.

Effective Date - The date specified in Appendix C as the effective date.

Electric Distribution Company or "EDC" – A public utility providing facilities for the transmission and distribution of electricity to retail customers in Pennsylvania.

Electric Generation Supplier or "EGS" – A person or entity that is duly certified by the Commission to offer and provide competitive electric supply to retail customers located in the Commonwealth of Pennsylvania.

Emergency – (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a condition that requires implementation of Emergency Operations Procedures as defined in the PJM Agreements or PJM manuals; or (iv) any other condition or situation that the Company or PJM deems imminently likely to endanger life or property or to affect or impair the Company's electrical system or the electrical system(s) of other(s) to which the Company's electrical system is directly or indirectly connected (a "Connected Entity"). Such a condition or situation may include, but shall not be limited to, potential overloading of the Company's transmission and/or distribution circuits, PJM minimum generation ("light load") conditions, or unusual operating conditions on either the Company's or a Connected Entity's electrical system, or conditions such that the Company is unable to accept Energy from the DS Supplier without

jeopardizing the Company's electrical system or a Connected Entity's electrical system. Other additional emergencies can only be declared by PJM, FERC, or the PaPUC.

Energy – Three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

Event of Default – A Party's breach of obligations under this Agreement as set forth in Article 5 of this Agreement.

FERC – The Federal Energy Regulatory Commission.

Final Monthly Energy Allocation or "FMEA" – A quantity of Energy which, for any Billing Month, is the PMEA adjusted for any billing or metering data received subsequent to the calculation of PMEA of which PJM is notified within 60 days.

Force Majeure - Means an event or circumstance which prevents one Party from performing its obligations under one or more transactions, such as riots or revolutions, demands or embargoes of the United States Government, fire, flood, drought, insurrection, acts of God which are not within the reasonable control of, or the results of the negligence of the affected Party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of DS Supplier's supply; (ii) DS Supplier's ability to sell the DS Supply at a price greater than that received under any Transaction; (iii) curtailment by a utility transmitting DS Supply; (iv) the Company's ability to purchase the DS Supply at a price lower than paid under any Transaction; (v) any change in requirements of any governmental authority; or (vi) labor stoppage or lockout.

Forward Market Price – The price for On-peak Energy Forward Price as determined by averaging concurrent broker quotes obtained by the Company for the Market Price Hub as available.

Gains – With respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Generator Attribute Tracking System or "GATS" - the system owned and operated by PJM Environmental Services, Inc. to provide reporting and tracking services to its subscribers in support of the AEPS Act, or any successor credit registry selected by the PaPUC. (As specified in Appendix E)

Guaranty – A guaranty, suretyship, hypothecation agreement, margins or security agreement or any other document in the form attached to this DS Supplier Master Agreement or other form approved by the Company.

Guarantor – Any party having the authority and agreeing to guarantee the DS Supplier's financial obligations under this Agreement, recognizing that such party shall be obligated to meet the Company's creditworthiness requirements specified in this Agreement for such DS Supplier.

Interest Index – The average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (http://www.federalreserve.gov/releases/h15/update/).

Kilowatt or "kW" – Unit of measurement of useful power equivalent to 1000 watts.

Kilowatt-hour or "kWh" – One kilowatt of electric power used over a period of one hour.

Load Serving Entity or "LSE" – An entity that has been granted the authority or has an obligation pursuant to state or local law, regulation or franchise to sell electricity to retail customers located within the PJM Control Area as that term is defined in the PJM Agreements or in successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement.

Losses – With respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Margin – The amount by which the Total Exposure Amount exceeds the DS Supplier's, or Guarantor's, credit limit as defined in Section 6.4.

Market Price Hub - A liquid pricing point located within PJM's geographic footprint, as specified in Appendix B.

Megawatt or MW – One thousand kilowatts.

Megawatt-hour or MWh – One megawatt of electric power used over a period of one hour.

Merger Event – When a DS Supplier consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity and either (i) the resulting entity fails to assume all of the obligations of such DS Supplier hereunder in the sole discretion of the Company or (ii) the benefits of any credit support provided pursuant to Article 6 of this Agreement fail to extend to the performance by such resulting, surviving or transferee entity of the DS Supplier's obligations hereunder, and the resulting entity or its guarantor fails to meet the creditworthiness requirements of this Agreement in the sole discretion of the Company.

Minimum Transfer Amount - $100,000.

NERC – The North American Electric Reliability Council or its successor.

Network Integration Transmission Service or "NITS" – "Network Integration Transmission Service" under the PJM Agreements in effect as of the date of this Agreement, or its successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement. In the event the PJM Agreements are modified such that "Network Integration Transmission Service" is no longer offered, Network Integration Transmission Service shall mean the type of transmission service offered under the PJM Agreements that is accorded the highest level of priority for scheduling and curtailment purposes.

Non-Defaulting Party - A Party to this Agreement who, at the time an Event of Default occurs, is not itself in default of this Agreement and has not otherwise caused or precipitated an Event of Default or Early Termination of this Agreement.

Off-Peak Energy Forward Price - Means the price for Off-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer available or no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

On-Peak Energy Forward Price – Means the price for On-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

PaPUC or Commission – The Pennsylvania Public Utility Commission or its successor.

PJM – PJM Interconnection L.L.C. or its successor.

PJM Agreements – The PJM OATT, PJM RAA, PJM OA and all other PJM agreements, procedures, manuals and documents applicable to the Transactions covered by or relating to this Agreement.

PJM Control Area – That certain Control Area encompassing electric systems in parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia, as may be modified from time to time, and which is recognized by the North American Electric Reliability Council as the "PJM Control Area".

PJM Member – A member in good standing of PJM that satisfies the requirements to conduct business with PJM.

PJM OA – The PJM Operating Agreement or the successor, superseding or amended version of the PJM Operating Agreement that may take effect from time to time.

PJM OATT – The PJM Open Access Transmission Tariff or the successor, superseding or amended version of the PJM Open Access Transmission Tariff that may take effect from time to time.

PJM OI – The PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM RAA – The PJM Reliability Assurance Agreement or the successor, superseding or amended version of the PJM Reliability Assurance Agreement that may take effect from time to time.

PMEA/FMEA Adjustment Amount – For any Billing Month, the monetary amount due to the DS Supplier or the Company, as the case may be, in order to reconcile any difference between the PMEA used for the purpose of calculating estimated payments made to DS Supplier for a given month and the FMEA used for calculating the final payments due to the DS Supplier for such month as more fully described in Article 9 hereof.

Preliminary Monthly Energy Allocation or "PMEA" – A quantity of Energy which, for any Billing Month, is the preliminary calculation of the DS Supplier's DS Supplier Responsibility Share.

Rate Schedule(s) – Shall mean the specified existing, and modified or successor customer rate schedule(s) in the electric service tariff of the Company filed with the Commission.

Reliability First Corporation or "RFC" – The approved regional NERC entity with responsibility for the Commonwealth of Pennsylvania.

Residential Class – Group of Rate Schedules that comprise the Residential Class for the DS Supply and itemized in Appendix C

Rounding Amount - $100,000

Settlement Amount – With respect to a Non-Defaulting Party, the net amount of the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of Early Termination, as set forth in Section 5.4(a) of this Agreement. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

Statement – A monthly report prepared by the DS Supplier for the Company indicating the amount due to the DS Supplier by the Company as compensation for DS Supply supplied to DS Customers by the DS Supplier during the current Billing Month, in

accordance with DS Supplier's obligations under this Agreement. The Statement will segregate deliveries and passthrough products for the DS Fixed Price and DS Variable Price load.

Supplier Adder – A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Buyer's Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs.

Supply Day – Any calendar day during the term of this Agreement on which the DS Supplier is providing, or is obligated by this Agreement to provide, DS Supply to the Company's DS Customers.

Termination Payment – An amount paid by the Defaulting Party due to Early Termination.

Tier I AEC – Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier I requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier I (Solar) AEC – Shall mean an AEC generated by a solar photovoltaic energy source that will satisfy the Tier I solar photovoltaic requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier II AEC - Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier II requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tranche – A fixed percentage share of the Company's DS Load, as specified in Appendix C.

Transaction – Means a particular agreement by which the Company purchases and the DS Supplier sells DS Supply pursuant to this Agreement, the details of which are more fully set forth in Exhibit 1 – Transaction Confirmation.

Transaction Confirmation – Shall have the meaning ascribed to it in Appendix C and Exhibit 1 of this Agreement.

Trigger Date – The date that Company can request DS Supplier to lock -in a 6-month or 12-month (as applicable) energy strip price for the Fixed Price product.

ARTICLE 2: GENERAL TERMS AND CONDITIONS

2.1 Capacity in Which Company Is Entering into This Agreement

The DS Supplier agrees and acknowledges that the Company is contracting for the provision of DS Supply from such DS Supplier for Customers receiving Default Service on the Company's electric system pursuant to the authorizations provided to the Company. The DS Supplier further agrees and acknowledges that the Company will administer and monitor the DS Supplier's performance in providing DS Supply under this Agreement and that the Company shall be entitled to enforce the DS Supplier's obligations related to the provision of DS Supply. The DS Supplier hereby permanently, expressly and irrevocably waives any claim that Company is not entitled to seek enforcement of this Agreement on behalf of Customers. It is the specific intention of the Parties hereto that Customers and Customer groups are not third-party beneficiaries of this Agreement and that no Customer or Customer group shall seek enforcement of this Agreement against the DS Supplier on their own behalf, either independently or by joining in any legal proceeding brought by the Company.

2.2 Parties' Obligations

(a) Obligations of DS Supplier

The DS Supplier hereby agrees as follows:

(i) DS Supplier shall provide service on a firm and continuous basis such that the supply delivered for the term of the Agreement meets the terms and conditions set forth in Appendix C;

(ii) To provide sufficient quantities of DS Supply on an instantaneous basis at all times and supplied to the Delivery Point to meet the DS Supplier Responsibility Share;

(iii) To procure those services provided by the PJM OI and to perform such functions as may be required by the PJM OI that are necessary for the delivery of DS Supply required hereunder;

(iv) To cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing legitimacy and enforceability of the terms of this Agreement and to fulfill any regulatory reporting requirement associated with the provision of DS Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(v) To become the Load Serving Entity ("LSE") with respect to the provision of DS Supply for the DS Supplier Responsibility Share and to comply with all requirements of a LSE with respect to such DS Supplier Responsibility Share;

(vi) To pay to the Company the PMEA/FMEA Adjustment Amount for any Billing Month in which the PMEA exceeds the FMEA, as more fully described in Article 9 of this Agreement;

(vii) To accept assignment of and to fulfill all obligations of a LSE that are assigned to it by this Agreement;

(viii) To comply in a timely manner with all obligations under this Agreement imposed upon the DS Supplier; and

(ix) To comply with the AEPS requirements of the Company's Default Service Plan, as detailed in Appendix E.

(b) Obligations of the Company

The Company hereby agrees as follows:

(i) To pay to each DS Supplier every month an amount due, resulting from the calculations, as detailed in Article 9 of this Agreement, subject to the adjustments as expressed therein;

(ii) Pay to the DS Supplier the PMEA/FMEA Adjustment Amount for any Billing Month in which the FMEA exceeds the PMEA, as more fully described in Article 9 of this Agreement;

(iii) To coordinate with the DS Supplier to develop protocols to separate the DS Load from EGS load on a daily basis, and to separate the DS Variable Percentage and the DS Fixed Percentage;

(iv) To comply in a timely manner with all obligations under this Agreement imposed upon the Company; and

(v) Accept the delivery of DS Supply necessary to meet the DS Load.

2.3 Congestion and Congestion Management

The DS Supplier is responsible for any congestion costs incurred to meet the DS Supplier Responsibility Share. The Company shall transfer or assign to the DS Supplier the Company's rights to Auction Revenue Rights (ARRs) to which the Company is entitled as an LSE pursuant to the PJM Agreements, including the rights to ARRs, provided that such rights are related to the service being provided to meet the DS Supplier Responsibility Share and such rights are for the Delivery Period. All rights, liabilities and obligations associated with such ARRs will accrue and be assumed by the DS Supplier through the transfer or assignment from the Company to the DS Supplier including the responsibility

and ability of the DS Supplier to request or nominate such ARRs when applicable and feasible. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations will nominate such ARRs for the upcoming PJM planning period and such ARRs will be allocated to the DS Supplier in accordance with the PJM Agreements based upon its DS Supplier Responsibility Share. Upon request, DS Supplier shall make ARR information and any other information available to the Company for use of participants in supply negotiations, request for proposals or other processes to obtain wholesale supply for periods beyond the Term of this Agreement.

2.4 PJM Services

The DS Supplier shall make all necessary arrangements for the delivery of DS Supply through the PJM OI. The DS Supplier shall be responsible for the forecasting and reconciliation of the DS Load. The DS Supplier shall remain responsible to PJM for the performance of its LSE obligations associated with the provision of DS Supply under this Agreement until the effective date of the transfer of such LSE obligations.

The Company shall generate and provide to DS Supplier PJM shortname(s) associated with supplier's unique contract type(s), as necessary. Unique shortname(s) may be generated for each differing contract type. DS Supplier shall complete all required forms and processing to PJM to create shortname(s) within the PJM system.

For the period of time this Agreement is in effect, both the Company and DS Supplier shall have executed the PJM Declaration of Authority, and shall remain in effect during the Term of this Agreement. In the event PJM requires that the Declaration of Authority be amended after execution by the DS Supplier, DS Supplier agrees to execute a revised Declaration of Authority in accordance with PJM requirements.

2.5 PJM Agreement Modifications

(a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.

(b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement, including the DS Supplier's responsibility for changes in PJM products and pricing during the Term.

2.6 PJM Member Default Cost Allocation

In the event PJM imposes a Default Allocation Assessment upon the Company relating to a default during the Term, the Company shall invoice DS Supplier and DS Supplier shall pay an amount equal to the product of (i) DS Supplier Responsibility Share, and (ii) the Default Allocation Assessment, less the amounts of any types of charges allocated to the Company under this Agreement that are used by PJM in calculating such Default Allocation Assessment.

2.7 Other Fines and Penalties

If fees, fines, penalties, or costs are claimed or assessed against the Company by any Applicable Legal Authority or PJM due to noncompliance by the DS Supplier with this Agreement, any other requirements of law, or the PJM Agreements, the DS Supplier shall indemnify and hold the Company harmless against any and all losses, liabilities, damages, and claims suffered or incurred by the Company, including claims for indemnity

or contribution made by third parties against the Company, except to the extent the Company recovers any such losses, liabilities or damages through other provisions of this Agreement.

2.8 Communications and Data Exchange

The DS Supplier and the Company shall supply to each other in a thorough and timely manner all data, materials or other information that is specified in this Agreement, or that may otherwise reasonably be required by DS Supplier or by the Company in connection with the provision of DS Supply by the DS Supplier to DS Customers, if required.

The DS Supplier shall be equipped with the communications capabilities necessary to comply with the communications and data exchange standards that are set by and as may, from time to time, be modified by PJM, and shall exclusively bear the costs of installing, maintaining, testing, and operating all required information technology systems that will enable it to send to and receive data from the Company and PJM and to satisfy its obligations under this Agreement, the PJM Agreements and all other relevant agreements.

2.9 Record Retention

The Company shall retain necessary records for the longer of two years or as required under applicable PaPUC requirements so as to permit DS Supplier to confirm the validity of payments due to DS Supplier hereunder; provided that if a DS Supplier has provided notice pursuant to this Agreement that it disputes the validity of any payments, the Company agrees that it shall retain all records related to such dispute until the dispute is finally resolved.

2.10 Verification

In the event of a good faith dispute regarding any invoice issued or payment due under this Agreement, and provided that a mutually acceptable confidentiality agreement is executed by the Parties, each Party will have the right to verify, at its sole expense, the accuracy of the invoice or the calculation of the payment due by obtaining copies of relevant portions of the books and records of the other Party.

2.11 Forward Contract Merchant

The Parties agree that the Agreement is a "forward contract merchant" within the meaning of the United States Bankruptcy Code, all setoffs, netting and liquidations contemplated hereunder constitute "settlement payments" as set forth in Sections 101 and 741 of the United States Bankruptcy Code and each payment or transfer of Performance Assurance is a "margin payment", "settlement payment" or transfer within the meaning of Section 101 of the United States Bankruptcy Code for the purposes of and as used in such Code.

2.12 Change in Law

If any Change in Law other than a change to the AEPS requirements has the effect of changing the purchase and sale procedure set forth in this Agreement such that (i) the implementation of this Agreement becomes impossible; or (ii) it becomes unlawful for a Party to perform any obligation under this Agreement, the Parties hereto agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement. Parties' exclusive remedy for any change to the AEPS requirements shall be as set forth in Appendix E.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 DS Supplier's Representations and Warranties

The DS Supplier hereby represents, warrants and covenants to the Company on the Effective Date and throughout the term of this Agreement as follows:

(a) It is a corporation, partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania or, if another jurisdiction, under the laws of such jurisdiction and, in such case, is duly registered and authorized to do business in such other jurisdiction;

(b) It has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder, including satisfaction of all applicable FERC requirements;

(c) The execution and delivery of this Agreement and the performance of such DS Supplier's obligations hereunder have been duly authorized by all necessary action on the part of the DS Supplier and do not and will not conflict with, or constitute a breach of or default under, any of the terms, conditions, or provisions of the DS Supplier's certificate of incorporation or bylaws or other constituent instruments or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the DS Supplier is a party or by which the DS Supplier or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the DS Supplier's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the DS Supplier, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity;

(f) There are no actions at law, suits in equity, proceedings or claims pending or, to the DS Supplier's knowledge, threatened against the DS Supplier before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the DS Supplier's performance of its obligations hereunder;

(g) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(h) It is in good standing as an LSE in PJM, is a signatory to all applicable PJM Agreements, and is in compliance with, and will continue to comply with, all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs as defined by the PJM Agreements; provided that the DS Supplier shall not be obligated to become an LSE in PJM until the date it begins providing DS Supply;

(i) It has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by the Company;

(j) It will comply with any and all information and data transfer protocols that may be adopted by the Company or that are set by, and from time to time modified by, the

PaPUC; provided that DS Supplier shall be entitled to exercise its reserved right to challenge any such protocols in the appropriate forum;

(k) It is not Bankrupt or insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt or insolvent;

(l) There are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates, or any legal proceedings before any Governmental Authority, that could materially adversely affect its ability to perform its obligations under this Agreement;

(m) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(n) It is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement; and,

(o) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of DS Supply as required by this Agreement; and it is an "eligible contract participant" as defined in Section 1a(18) of the Commodity Exchange Act.

3.2 Company's Representations and Warranties

The Company hereby represents, warrants and covenants to the DS Supplier as follows:

(a) The Company is an electric utility corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania;

(b) The Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

(c) The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary action on the part of the Company and do not and will not conflict with, constitute a breach of or default under, any of the terms, conditions, or provisions of the Company's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Company is a party or by which the Company or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the Company's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity and the Commission's power under section 508 of the Public Utility Code, 66 Pa.C.S. § 508, to amend or modify the contracts of public utilities;

(f) The ability of the Company to pay any and all amounts due and payable under this Agreement, or upon any potential breach thereof, is not conditioned upon any

governmental or administrative appropriation by the Commission, the Commonwealth of Pennsylvania or any other governmental authority;

(g) There are no actions at law, suits in equity, proceedings or claims pending or, to the Company's knowledge, threatened against the Company before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the Company's performance of its obligations under this Agreement;

(h) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(j) The Company's performance under this Agreement is not contingent upon the performance of Customers or the ability of Customers to pay rates;

(k) The Company shall have sole responsibility for metering and billing with respect to Customers; and,

(l) The Company shall be responsible for electric distribution services and the DS Supplier shall not be responsible for distribution charges.

3.3 Survival of Obligations

All representations and warranties contained in this Article are of a continuing nature and shall be maintained during the term of this Agreement or until all amounts due hereunder, including all obligations, have been paid or performed in full. If a Party learns that any of the representations, warranties or covenants in this Agreement are no longer true during the term of this Agreement, the Party shall immediately notify the other Party via email or facsimile, with a hard copy of the notice delivered by overnight mail.

ARTICLE 4: COMMENCEMENT AND TERMINATION OF AGREEMENT

4.1 Commencement and Termination

The term of this Agreement shall commence upon the Effective Date. Unless otherwise agreed upon by the Company and the DS Supplier, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless the Agreement is terminated prematurely pursuant to the provisions of this Agreement.

4.2 Termination of Right to Supply

The DS Supplier agrees that termination of this Agreement for reason of an Event of Default shall terminate any right of the DS Supplier to provide DS Supply to the DS Customers and nullify any of the entitlements to which the DS Supplier became entitled as a result of being selected as a winning bidder in the DS Solicitation.

4.3 Survival of Obligations

Termination of this Agreement for any reason shall not relieve the Company or the DS Supplier of any obligation accrued or accruing prior to such termination. Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings.

4.4 Mutual Termination

The Company and the DS Supplier may agree at any time during the term of this Agreement to terminate their respective rights and obligations hereunder on such terms and under such conditions that they mutually deem to be appropriate as set forth in a mutual termination agreement acceptable in form and substance to the Company and the DS Supplier ("Mutual Termination Agreement"); provided that Company agrees that it shall

enter into such a Mutual Termination Agreement, which will discharge the terminating DS Supplier (the "Terminating DS Supplier") with respect to liabilities arising after the effective date of the Mutual Termination Agreement if the following conditions precedent are met: (i) the Terminating DS Supplier identifies a replacement DS Supplier willing to assume all obligations of the Terminating DS Supplier hereunder for the remaining term of this Agreement (the "Replacement DS Supplier"); (ii) the Replacement DS Supplier demonstrates its compliance with Article 6 of this Agreement, "Creditworthiness", as of the effective date of the Mutual Termination Agreement, that determination to be made in the sole discretion of Company; (iii) the Replacement DS Supplier executes a counterpart signature page to this Agreement and thereby becomes a Party under this Agreement, effective immediately following the effective date of the Mutual Termination Agreement; and (iv) the Terminating DS Supplier is not, to the belief or knowledge of the Company, subject to an Event of Default as of the effective date of the Mutual Termination Agreement or, if the Company believes that the Terminating DS Supplier may be subject to an Event of Default, either (a) the Company has determined that, as of the effective date of the Mutual Termination Agreement, it has not incurred any Damages as a result of the Event of Default or (b) if the Company has determined, as of the effective date of the Mutual Termination Agreement, that it may have incurred Damages as a result of the Event of Default, that the Replacement DS Supplier has agreed in writing to be responsible for the payment of such Damages or to otherwise cure the Event of Default, in either case to the satisfaction of the Company in its sole discretion.

ARTICLE 5: BREACH AND DEFAULT

5.1 Events of Default

An Event of Default under this Agreement shall occur if a Party (the "Defaulting Party"):

(a) Is the subject of a voluntary bankruptcy, insolvency or similar proceeding;

(b) Makes an assignment for the benefit of its creditors;

(c) Applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;

(d) Is dissolved (other than pursuant to a consolidation, amalgamation or merger) or is the subject of a Merger Event;

(e) Has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets;

(f) Has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) In the case of a DS Supplier, PJM terminates the DS Supplier's ability to make purchases from PJM markets or PJM holds the Company responsible for the provision of DS Supply under this Agreement and PJM does not rescind such termination or assignment of responsibility within seven (7) Business Days;

(h) Fails to comply with the creditworthiness requirements as set forth in Article 6 of this Agreement;

(i) Is declared by PJM to be in default of any provision of any PJM Agreement, which default prevents a Party's performance hereunder if such failure is not remedied within three (3) Business Days after written notice;

(j) Failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;

(k) Violates any federal, state or local code, regulation or statute applicable to the supply of Energy and/or AECs in a manner that materially, and adversely, affects the Party's performance under this Agreement, including by way of failure to continually satisfy all applicable FERC requirements, or, in the case of the DS Supplier, by way of failure to maintain any other governmental approvals required for participation in the Pennsylvania retail Energy market, or defaults on any obligation or other failure to comply with PJM requirements under the PJM Agreements;

(l) Is the subject of an involuntary bankruptcy or similar proceeding;

(m) Subject to Section 5.3 (b) of this Agreement, in the case of the Company, fails to accept DS Supply properly tendered by the DS Supplier under this Agreement;

(n) Failure to perform any material covenant or obligation set forth in this Agreement, if such failure is not remedied within three (3) Business Days after written notice;

(o) Makes a materially incorrect or misleading representation or warranty under this Agreement or under any response to the DS Solicitation; or

(p) Commits an act or makes an omission that constitutes an "Event of Default" under any other agreement(s) for the provision of DS Supply between the Company and

the DS Supplier; and fails to remedy such condition, event or delinquency herein above described such that the other Party (the "Non-Defaulting Party") is completely made whole with respect to such condition, event or delinquency, within three (3) Business Days of receipt of written notice thereof from such Non-Defaulting Party; provided, however, that an Event of Default shall be deemed to have occurred immediately, without any need for the provision of notice thereof by the Non-Defaulting Party and without any right of cure on the part of the Defaulting Party, in the event of the occurrence of a condition, event or delinquency described in subsections "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)" or "(h)" above. Termination of this Agreement by the PaPUC, other regulatory authority or court of law does not constitute an Event of Default under this Agreement.

(q) With respect to the DS Supplier's Guarantor, if any:

(i) any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(ii) Guarantor fails to make, when due, any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within two (2) Business Days after written notice;

(iii) Guarantor's guaranty fails to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party; or

(iv) Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty.

5.2 Rights upon Default

Upon and during the continuation of an Event of Default, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Article 5.7. In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all of the following remedies:

(a) Declare an Early Termination Date of this Agreement with respect to the obligations of the Defaulting Party without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by providing written notice to the Defaulting Party; provided, however, that this Agreement shall immediately terminate automatically and without notice in the case of any Event of Default in which a DS Supplier is the Defaulting Party occurring under subsections (a), (b), (c), (d), (e), (f), (g) or (h) of Article 5.1 of this Agreement and such date of automatic termination shall be deemed the Early Termination Date of this Agreement with respect to such Supplier; and

(b) Receive Damages in accordance with Section 5.3 of this Agreement.

The Non-Defaulting Party shall be entitled to elect or pursue one or more of the above remedies.

5.3 Damages Resulting From an Event of Default

(a) DS Supplier's Failure to Supply DS Supply or Declaration of Early Termination By Company: Damages resulting from (i) the DS Supplier's failure to (A) provide DS Supply in conformance with Article 2.2 hereof or (B) pay PJM for purchases of any products or services from PJM, or other failure to comply with PJM requirements, such that PJM holds the Company responsible for the provision of DS Supply to meet the DS Supplier's DS Supplier Responsibility Share under this Agreement or (ii) the occurrence of any Event of Default attributable to the DS Supplier resulting in Early Termination, shall include all Costs incurred by the Company, acting in a commercially reasonable manner consistent with any statutory or regulatory requirements imposed by the Applicable Legal Authorities, in obtaining replacement services or in obtaining a replacement supplier, which Costs exceed the amounts that would have been payable to the defaulting DS Supplier under this Agreement. Costs incurred by the Company for the purpose of calculating Damages hereunder will consist of:

(i) The cost of DS Supply allocated to the Company by the PJM OI due to the failure of the DS Supplier to meet obligations owing to the PJM OI in connection with its obligations under this Agreement;

(ii) The costs of DS Supply purchased by the Company to replace DS Supply that a DS Supplier was obligated to supply under this Agreement during the term hereof;

(iii) Administrative and legal costs associated with procuring replacement DS Supply; and

(iv) Financial hedging costs incurred by the Company on behalf of DS Customers as a result of having to procure DS Supply not provided by the DS Supplier.

The Parties further recognize and agree that the final calculation of Damages hereunder may not be known for some time since the level of such Damages may be dependent upon the arrangements made by the Company to obtain replacement services or a replacement DS Supplier. The Company and the DS Supplier agree that, until the calculation of Damages under this provision is completed, the amount and payment to the Company of the Settlement Amount on behalf of DS Customers in the event of an Early Termination as set forth in Article 5.4 of this Agreement shall be immediately due and owing as an estimate of all Damages ultimately determined to be due and owing. After Damages have been finally determined under this Article 5.3, the amounts of Damages due and owing will be reconciled with payments already made by the DS Supplier under Section 5.4 of this Agreement.

(b) Failure By Company on Behalf of Customers To Accept DS Supply Tendered By DS Supplier: Damages resulting from the failure of the Company on behalf of Customers to accept DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement shall consist of the positive difference (if any) between (i) the amounts that would have been payable to the DS Supplier hereunder had the Company accepted the DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement and (ii) the amount realized by the DS Supplier in disposing, in a commercially reasonable manner, of the DS Supply not accepted by the Company; provided, however, that the Company shall not be required to accept on behalf of any Customer, quantities of DS Supply utilized by Customers on an instantaneous basis as a function of electrical load, in excess of such Customer's instantaneous consumption of such component of DS Supply;

and further provided that the Company shall not be liable for any Damages if this Agreement is terminated by the PaPUC, other regulatory authority or a court of law.

(c) Damages Resulting From Early Termination Due To An Event of Default Attributable To the Company: Damages resulting from Early Termination due to an Event of Default attributable to the Company shall be as set forth in Section 5.4 of this Agreement. Damages calculated in accordance with said Article 5.4 shall be the exclusive remedy available to the DS Supplier in the event of Early Termination resulting from an Event of Default attributable to the Company.

(d) Damages Resulting from DS Supplier's Failure to Continuously Satisfy it AEPS Obligations: Damages resulting from the DS Supplier's failure to continuously meet and satisfy all or any portion of its obligations under Section 2.2 (a)(viii) of this Agreement shall include, but not be limited to, the amount of all penalties, costs associated with the procurement of additional AECs, etc. including, without limitation, interest and other charges, if any, levied against the Company related to AEPS regulations, due to such DS Supplier's conduct or inaction.

(e) Other Damages: Damages for Events of Default not specified above shall consist of the direct Damages incurred by the Non-Defaulting Party.

(f) Waiver of Event of Default: If an Event of Default has occurred and the Non-Defaulting Party is the Company, then unless the Event of Default was a failure by the DS Supplier to meet any or all of its DS Supply obligations, the Company may elect, at its sole discretion, to offer to waive the default on such terms and conditions as the Company, at its sole discretion, may deem appropriate to propose a special remedy. Any

such special remedy can only be offered to the DS Supplier if it first is specifically approved by the PaPUC in accordance with Commission Orders.

5.4 Declaration of an Early Termination Date and Calculation of Settlement Amount and Termination Payment

(a) **Settlement Amount**: If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the Non-Defaulting Party shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as a date for Early Termination ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate the undertakings set forth in this Agreement, (ii) to withhold any payments due to the Defaulting Party under this Agreement, and (iii) to suspend performance; provided however, that an Early Termination Date shall be deemed to occur automatically and concurrently with the Event of Default, without any requirement for the provision of notice by the Non-Defaulting Party, with respect to an Event of Default under subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Article 5.1 of this Agreement. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount with respect to the obligations under this Agreement.

(i) For the purposes of such determination, the DS Supply provided for under this Agreement for the period following the Early Termination Date through the remainder of the term of this Agreement shall be deemed to be those quantity amounts that would have been delivered on an hourly basis, had this Agreement been in effect during the previous calendar year adjusted for such DS Load changes as may have occurred since the previous calendar year.

(b) **Net Out of Settlement Amounts**: The Non-Defaulting Party shall calculate a Termination Payment by aggregating all Settlement Amounts due under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply into a single amount by netting out (a) all Settlement Amounts that are due or will become due to the Defaulting Party, plus at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party and actually received, liquidated and retained by the Non-Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply against (b) all Settlement Amounts that are due or will become due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply, so that all such amounts shall be netted out to a single liquidated amount; provided, however, that if the DS Supplier is the Defaulting Party and the Termination Payment is due to the DS Supplier, the Company shall be entitled to retain a commercially reasonable portion of the Termination Payment, which may be equal to the entire amount of the Termination Payment, as security for additional amounts that may be determined to be due and owing by the DS Supplier as Damages and further provided that any previously attached security interest of the Company in such retained amounts shall continue. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. If the Termination Payment has been retained by the Company as security for additional amounts that may be determined to be due and owing by the DS Supplier, and if, upon making a final determination of Damages, the Termination Payment, or any portion

thereof, is to be made to the DS Supplier, the Company will pay simple interest on the Termination Payment amount being made to the DS Supplier. Simple interest will be calculated at the lower of the Interest Index or six (6) percent per annum.

(c) **Notice of Termination Payment**: As soon as practicable after calculation of a Termination Payment, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. Subject to Article 5.4(b) above, the Termination Payment shall be made by the Party that owes it within three (3) Business Days after such notice is effective.

(d) **Disputes With Respect to Termination Payment**: If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within three (3) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party as specified in the Termination Payment Dispute Notice.

(e) **Multiple DS Supply Agreements:** It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the Effective Date of this Agreement or are entered into after the Effective Date of this Agreement, the Company

will calculate a single Termination Payment applicable to all such agreements as set forth herein.

5.5 Step-up Provision

The Company may ask other DS Suppliers whether they wish to assume all or part of the delivery obligations on the same terms and price contained herein, but any DS Supplier shall not be obligated to assume any such step-up requests. Any agreement to make additional supply available shall be termed a "Step-Up", and is subject to compliance with the creditworthiness provisions of Article 6 of this Agreement. For the avoidance of doubt, in the event that the DS Supplier does not respond to the Company's Step-Up request within the relevant timeframe, then the DS Supplier shall be deemed to have rejected the Company's request in full.

5.6 Setoff of Payment Obligations of the Non-Defaulting Party

Any payment obligations of the Non-Defaulting Party to the Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply shall be set off: (i) first, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured and not subject to any Guaranty; (ii) second, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured, but which are subject to a Guaranty; and (iii) third, to satisfy any remaining payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply.

5.7 Preservation of Rights of Non-Defaulting Party

The rights of the Non-Defaulting Party under this Agreement, including without limitation Article 5.4 and 5.7 of this Agreement, shall be supplemental to, and not in lieu of, any right of recoupment, lien, or set-off afforded by applicable law, and all such rights are expressly preserved for the benefit of the Non-Defaulting Party.

(a) **Duty to Mitigate:** Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

(b) **Return of Auction Revenue Rights:** When the DS Supplier is the Defaulting Party, the DS Supplier will make best efforts to facilitate the transfer or reassignment to the entity which is the replacement DS Supplier on the Early Termination Date, any and all of the replacement DS Supplier's rights to Auction Revenue Rights (ARRs) to which the replacement DS Supplier is entitled as a LSE pursuant to the PJM Agreements, which were transferred or assigned to the DS Supplier under Section 2.3 (Congestion and Congestion Management).

ARTICLE 6: CREDITWORTHINESS

6.1 Applicability

Both Parties shall meet the creditworthiness requirements specified in Appendix A at all times during the term of this Agreement and shall inform the other Party immediately of any material changes in its credit rating or financial condition. Without limitation of the foregoing, the DS Supplier shall, upon written request, affirmatively demonstrate to the Company, its compliance with the creditworthiness requirements set forth hereunder. The Company may establish less restrictive creditworthiness requirements under this Article 6 in a non-discriminatory manner.

6.2 Intentionally Omitted

6.3 Mark-to-Market Credit Exposure Methodology

The Parties will periodically calculate the Mark-to-Market Credit exposure of DS Supplier in accordance with Appendix B.

6.4 Intentionally Omitted

6.5 Intentionally Omitted

6.6 Intentionally Omitted

6.7 Security Instruments

At the providing Party's choice, the following are deemed to be acceptable methods for posting security, if required:

(a) Cash; or

(b) A standby irrevocable letter of credit acceptable to the Company, in its sole discretion, issued by a bank or other financial institution with a minimum "A-" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P and "A3" from Moody's. The letter of credit shall state that it shall renew

automatically for successive one-year or shorter periods, until terminated upon at least ninety (90) days prior written notice from the issuing financial institution. If the requesting Party receives notice from the issuing financial institution that the letter of credit is being cancelled, the providing Party will be required to provide a substitute letter of credit from an alternative bank satisfying the minimum requirements. The receipt of the substitute letter of credit must be effective as of the cancellation date and delivered to the requesting Party thirty (30) days before the cancellation date of the original letter of credit. If the providing Party fails to supply a substitute letter of credit as required, then the Company will have the right to draw on the existing letter of credit and to hold the amount as Margin.

If the credit rating of a bank or other financial institution from which a Party has obtained a letter of credit falls below the levels specified in Article 6 of this Agreement, the Party shall have three (3) Business Days following written notice by the requesting Party to obtain a suitable letter of credit from another bank or other financial institution that meets those standards, unless such period is extended in writing by the requesting Party. The requesting Party shall have no obligation under this Agreement or otherwise to make or grant such extension.

6.8 Maintenance of Creditworthiness

(a) **Reporting of Changes**: A Party shall promptly notify the other Party of any change in its credit rating or financial condition or that of its Guarantor. The Party or Guarantor shall also furnish evidence of an acceptable credit rating or financial condition upon the request of the other Party.

(b) Change in Credit Standing: Creditworthiness may be re-evaluated whenever a Party becomes aware of a material change, through the provision of notice by the other Party or otherwise, in the Party's or Guarantor's credit standing.

6. 9 Calling on Security

Security posted by a Party may be called upon if the other party fails to perform or fails to pay amounts due pursuant to this Agreement or any other agreement(s) between the Parties after all of the following events occur:

(a) Written Notice of Default is provided to the non-performing Party; and

(b) Any applicable cure period associated with the written Notice of Default ends.

The foregoing notwithstanding, the security posted by either Party shall become due automatically without prior notice or right of cure in the case of any Event of Default arising under subsections (a), (b), (c), (d), (e), (f), (g) and (h) of Section 5.1 of this Agreement.

6.10 Interest on Cash Held by a Party

A Party will pay simple interest calculated at the lower of the Interest Index or six (6) percent per annum on all cash held by the Party pursuant to this Agreement. Each Billing Month, the holding Party will prepare a statement of interest amounts due to the other Party. The statement will be sent to the providing Party within three (3) Business Days after the end of the Billing Month via overnight mail or other expeditious means. The holding Party shall make interest payments on the first Business Day after the 5th day of each calendar month**.**

6.11 No Endorsement of DS Supplier

The Company's determination that a DS Supplier is creditworthy pursuant to the process set forth above, shall not be deemed to constitute an express or implied warranty or guarantee of any kind with respect to the financial or operational qualifications of the DS Supplier. The Company will treat all DS Suppliers in a non-discriminatory manner and shall provide no preference to any DS Supplier.

6.12 Multiple DS Supply Agreements

It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the effective date of this Agreement or is entered into after the effective date of this Agreement, the Company will calculate the Margin applicable to all such agreements as set forth herein. Each DS Supplier that is a party to such other agreements with the Company for the provision of DS Supply hereby agrees that such other agreements are deemed amended by this Agreement for the purpose of calculating the Margin as described herein.

ARTICLE 7: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT

7.1 Load Obligations

The Company and the DS Supplier acknowledge and agree that (1) the DS Supplier shall determine the DS Load, (2) the Company shall allocate the DS Supply obligation using the DS Supplier Responsibility Share, (3) the DS Supplier shall provide the DS Supplier's DS Supply obligation to PJM, and (4) the DS Supplier shall be responsible for meeting its DS Supply obligations as a LSE under the PJM Agreements.

7.2 Data Transmission

The procedures for transmitting load obligation data to PJM for DS Supplier's DS Load shall be as set forth by PJM.

7.3 Energy Scheduling

The Company is not obligated to provide any day ahead scheduling services. If the Company chooses to provide such services, the information provided is not guaranteed by the Company.

ARTICLE 8: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS

8.1 Energy Settlement By PJM

The settlement process occurs at PJM to reflect the DS Supplier's actual Energy obligations in a supply/usage reconciliation process. The Energy obligations for each DS Supplier will be determined based on the DS Supplier Responsibility Share of the DS Load. The reconciled total DS Energy obligation will be based on the final total Energy loads for the Customers receiving DS service, including duration adjustments for marginal losses.

Any adjustments for billing and metering errors reported subsequent to the calculation of FMEA will be proportionally allocated by the Company to the DS Suppliers based on the respective DS Supplier Responsibility Share.

8.2 Energy Settlement by the Company

In the event that actual DS Customer consumption data is not available until after the PJM deadline for conducting the final settlement, the Company will conduct the settlement process with the DS Supplier. In the event PJM imposes penalties against the Company as a result of the DS Supplier's Transactions or failure to meet PJM requirements, such penalties shall be passed through by the Company, to the DS Supplier as part of this settlement process. In addition, all other applicable charges from PJM, including any billing adjustments, will be appropriately allocated to the DS Supplier.

ARTICLE 9: BILLING AND PAYMENT

9.1 The Company Payment of Obligations to the DS Supplier

The Company shall pay all amounts due to the DS Supplier hereunder in accordance with the following provisions:

(a) Each Billing Month, the DS Supplier will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown in Appendix C, multiplied by the Seasonal Billing Factor, if applicable, for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage as shown in Appendix C for each hour of the Billing Month.

(b) The Statement will be sent to the Company within seven (7) Business Days after the end of the Billing Month via overnight mail or other expeditious means.

(c) The Company shall make payment on the first Business Day after the 19th day of each calendar month.

(d) To the extent that the FMEA differs from the PMEA, the Company shall pay or charge the DS Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement.

(e) If each Party owes an amount to the other Party pursuant to this Agreement, including any related interest, payments or credits, the Parties may satisfy their respective obligations to each other by netting the aggregate amounts due to one Party against the

aggregate amounts due to the other Party, with the Party, if any, owing the greater aggregate amount paying the other Party the difference between the amounts owed.

(f) Payments shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(g) The Company shall make payments of funds payable to the DS Supplier by electronic transfer to a bank designated by the DS Supplier.

(h) If a good faith dispute arises between the Company and the DS Supplier regarding a Statement, the disputing Party shall be obligated to pay only the undisputed portion of the Statement, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within one hundred twenty (120) calendar days from the date of the Statement in dispute. Statement disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a Statement dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a Statement dispute was received by the non-disputing Party.

(i) If payment is made to the DS Supplier after the due date shown on the Statement, a late fee will be added to the unpaid balance until the entire Statement is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding

day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

9.2 Billing for DS Supplier's Obligations to Other Parties

The Company shall have no responsibility for billing between the DS Supplier and PJM; the DS Supplier and any Energy or Capacity source; or the DS Supplier and any other third party. The Company will be solely responsible for billing DS Customers for Default Service.

9.3 The DS Supplier Payment of Obligations to the Company

The DS Supplier shall pay all Charges it incurs hereunder in accordance with the following provisions:

(a) Each Billing Month, the Company shall submit an invoice to the DS Supplier for all Charges owed by the DS Supplier under this Agreement. The DS Supplier shall make payment for Charges shown on the invoice. The due date will be on the first Business Day after the 19th day of each calendar month. The invoice will be sent to the DS Supplier within seven (7) Calendar Days after the end of the Billing Month via overnight mail or other expeditious means.

(b) Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(c) The DS Supplier shall make payments of funds payable to the Company by electronic transfer to a bank designated by the Company.

(d) If a good faith dispute arises between the Company and the DS Supplier regarding an invoice, the disputing Party shall pay only the undisputed portion of the invoice, if any, and shall present the dispute in writing and submit supporting

documentation to the non-disputing Party within one hundred twenty (120) calendar days from the due date of the invoice in dispute. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a billing dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a bill dispute was received by the non-disputing Party.

(e) If payment is made to the Company after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

ARTICLE 10: SYSTEM OPERATION

The Parties shall adhere to any applicable operational requirements of PJM necessary to protect the integrity of the transmission system within the PJM Control Area and the transmission systems of interconnected control areas, and shall satisfy any and all PJM, RFC and NERC criteria, when applicable. The DS Supplier shall also adhere to any applicable operational requirements of the Company necessary to protect the integrity of the Company's local distribution system.

10.1 Disconnection and Curtailment By the Company

The Company shall have the right, without incurring any liability to the DS Suppliers, to disconnect (or otherwise curtail, interrupt or reduce deliveries from) the DS Suppliers or to disconnect (or otherwise curtail, interrupt or reduce deliveries to) any Customer whenever the Company determines in the exercise of its good faith discretion, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; or due to any other reason affecting the safe and reliable operation of the Company's or a Customer's facilities, including, without limitation, an Emergency, forced outage or potential overloading of the Company's transmission and/or distribution circuits, potential damage to any Customer's facilities or any risk of injury to persons or property.

10.2 Inadvertent Loss of Service to DS Customers

The Parties agree and acknowledge that service to DS Customers may be inadvertently lost due to storms, weather, accidents, breakage of equipment or other events beyond the reasonable control of the Company affecting the transmission and distribution system of the Company. Neither Party will have any liability to the other Party for the

occurrence of such events except for the Company's obligation to pursue steps for the resumption of the disrupted service as set forth in Section 10.3 below. In no event will an inadvertent loss of service affect a Party's obligation to make any payments then due or becoming due with respect to performance rendered prior to such inadvertent loss of service.

10.3 Good Faith Efforts

The Company shall use good faith efforts to: (a) minimize any curtailment, interruption or reduction in service to DS Customers to the extent reasonably practicable under the circumstances; (b) provide the DS Supplier with prior notification of any curtailment, interruption or reduction in service to DS Customers, to the extent reasonably practicable; and (c) resume service to DS Customers as promptly as reasonably practicable.

10.4 PJM Requirements

The DS Supplier acknowledges and agrees that, as a member of PJM, the Company is bound by all PJM operating instructions, policies and procedures as are currently set forth in the PJM Operating Manual, which are available through the Internet on the PJM Home Page (http://www.pjm.com), as may be revised from time to time, which are needed to maintain the integrity of the PJM system. The DS Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Emergency Operations Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer load by either manual or automatic means.

10.5 Compliance with Governmental Directives

The DS Supplier also acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect DS Customer load. The DS Supplier agrees to cooperate with the Company in order to comply with said directives.

ARTICLE 11: DISPUTE RESOLUTION

11.1 Informal Resolution of Disputes

Before pursuing resolution of any dispute arising out of this Agreement (other than an Event of Default under Article 5.1(a)-(i), (l), or (p)), the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Article 11.1 (Informal Resolution of Disputes), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Index from the original due date through the date of payment.

11.2 Recourse to Agencies or Courts of Competent Jurisdiction

After the requirements of Article 11.1 (Informal Dispute Resolution) have been satisfied, all unresolved disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act ("FPA"), with the PaPUC under relevant provisions of the Applicable Legal Authorities, with a Pennsylvania State court or a federal court of competent jurisdiction and within reasonably close proximity to the Company. The Party's agreement hereunder is without prejudice to any Party's right to contest the jurisdiction of the agency or court to which a complaint is brought.

The Parties hereby acknowledge and agree that both Parties have negotiated and entered into this Agreement freely and in good faith and that the terms of this Agreement have not been affected in any way, either directly or indirectly, by (A) any fraud, duress, unfairness, or any inequity in the relative bargaining power of the Parties or (B) any manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

To the extent permitted by law and absent agreement to the contrary, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives its rights (i) to argue before any governmental authority that any review, modification, or rescission of this Agreement should be considered under any standard of review other than the "public interest" standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine"), and (ii) to argue before any governmental authority that any terms of this Agreement should be modified or rescinded based on (A) any claim of fraud, duress, unfairness, bad faith, or inequity in the relative bargaining power of the Parties or (B) any claim of market manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

ARTICLE 12: REGULATORY AUTHORIZATIONS AND JURISDICTION

12.1 Compliance with Applicable Legal Authorities

The Company and the DS Supplier are subject to, and shall comply with, all existing or future applicable federal, State and local laws, all existing or future duly-

promulgated orders or other duly-authorized actions of PJM or of Applicable Legal Authorities.

12.2 FERC Jurisdictional Matters

The inclusion herein of descriptions of procedures or processes utilized by PJM or otherwise subject to the jurisdiction of FERC is intended solely for informational purposes. If anything stated herein is found by the FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA or if any existing procedures or processes utilized by PJM are duly modified, the applicable FERC rule, regulation, order, determination or modification shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company and/or the DS Supplier, if applicable, shall use reasonable commercial efforts to secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

12.3 Energy Efficiency, Conservation, On-Site Generation and Retail Market Programs

DS Supplier acknowledges that DS Customers may participate in energy efficiency and conservation programs offered by the Company (required by Applicable Legal Authorities or otherwise offered by the Company whether voluntarily or not), by PJM, or by other third parties and, for the avoidance of doubt, any programs offered or conducted by the Company or other entities relating to or arising from the PaPUC's Investigation of Pennsylvania's Retail Electricity Market, PaPUC Docket No. I-2011-2237952 (including legislation enacted to address the Commission's Final Order in Docket No. I-2011-2237952), and that such participation may reduce or change the amount of DS Supply that

DS Supplier is required to provide and the amount of monies it may receive under this Agreement. Furthermore, DS Supplier acknowledges that DS Customers may use, construct and rely on on-site generation facilities, including co-generation, solar, wind and other facilities. The Company shall have no obligation whatsoever to DS Supplier with respect to the effect, if any, of such programs. DS Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

ARTICLE 13: LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

13.1 Limitations on Liability

Except as set forth in this Agreement, there is no warranty of merchantability or fitness for a particular purpose, and any and all implied warranties are disclaimed. The Parties confirm that the express remedies and measures of Damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of Damages is provided, such express remedy or measure of Damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision and all other remedies or Damages at law or in equity are waived. If no remedy or measure of Damages is expressly provided herein, the obligor's liability shall be limited to direct actual Damages only, such direct actual Damages shall be the sole and exclusive remedy and all other remedies or Damages at law or in equity are waived. Unless expressly herein provided, neither Party shall be liable for consequential, incidental, punitive, exemplary or indirect Damages, lost profits or other business interruption Damages, by statute, in tort or contract, under any indemnity provision or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of Damages be without regard to the cause or causes related thereto, including the negligence or any Party, whether such negligence by sole, joint or concurrent, or active or passive. To the extent any Damages required to be paid hereunder are liquidated, the Parties acknowledge that the Damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the Damages calculated hereunder constitute a reasonable approximation of the harm or loss.

13.2 Risk of Loss

Solely for purposes of determining risk of loss and for determining the indemnity obligations under Article 14 of this Agreement, the Company shall be deemed to have custody and control of the electric Energy delivered by the DS Supplier upon receipt thereof into the Company's distribution system and until delivery thereof at the retail electric meter of the Customer; and the DS Supplier shall be deemed to have custody and control of the DS Supply at all times prior to receipt thereof by the Company. The Party deemed to have custody and control of DS Supply shall be responsible for all loss or damage to property or injury or death to persons arising in connection with such DS Supply while in its custody and control and shall indemnify the other Parties with respect to same as set forth in Article 14 of this Agreement.

ARTICLE 14: INDEMNIFICATION

14.1 Indemnification

(a) Should the Company become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the DS Supplier with respect to an obligation arising under or in connection with this Agreement, or for which the DS Supplier has otherwise assumed liability under the terms of this Agreement, the DS Supplier shall defend (at the Company's option), indemnify and hold harmless the Company, its shareholders, board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Company. The Company may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(b) Should the DS Supplier (the "Indemnified DS Supplier") become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the Company with respect to an obligation arising under or in connection with this Agreement, or for which the Company has otherwise assumed liability under the terms of this Agreement, the Company shall defend (at the option of the Indemnified DS Supplier), indemnify and hold harmless the Indemnified DS Supplier, its shareholders,

board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Indemnified DS Supplier. The Indemnified DS Supplier may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(c) If either Party intends to seek indemnification under Article 14.1(a) or 14.1(b), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld, conditioned or delayed.

14.2 Survives Agreement

The obligation of a Party to defend, indemnify, and hold harmless another Party under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

ARTICLE 15: FORCE MAJEURE

15.1 Force Majeure

Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfills the requirements set forth in Article 15.2 (Notification).

15.2 Notification

A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 16: MISCELLANEOUS PROVISIONS

16.1 Notices

Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail or courier service. Notice may also be provided via e-mail or facsimile transmission (with the original transmitted by any of the other delivery methods specified in the previous sentence) addressed per the notification information for the DS Supplier and Company as set forth in Appendix C hereto.

Such notices, demands or requests shall also be provided to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.

16.2 No Prejudice of Rights

The failure of a Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

16.3 Assignment

Parties shall not assign any of their rights or obligations under this Agreement without obtaining the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. The Company agrees that it shall grant its consent to a

proposed assignment by the DS Supplier if the proposed assignee meets all of the Company's creditworthiness requirements then in effect under this Agreement and any applicable load cap restrictions. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained. Any assignment in violation of this Section 16.3 shall be void; provided, however, the Company may assign any or all of its rights and obligations under this Agreement notwithstanding anything contained herein to the contrary, without the DS Supplier's consent, to any entity succeeding to all or substantially all of the assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof and all necessary regulatory approvals are obtained. The DS Supplier may, with prior written notice to the Company but without obtaining the approval of the Company, assign the accounts, revenues or proceeds under this Agreement to a third party. The Company agrees that, following receipt of such notice of the assignment of accounts, revenues or proceeds and such other documentation that the Company may reasonably request, the Company will pay amounts becoming due to the assigning DS Supplier under this Agreement directly to the designated assignee; provided, however, that nothing herein shall enlarge or expand the rights of such designated assignee beyond the rights granted to the DS Supplier and the right of such designated assignee to receive payments shall be subject to all defenses, offsets and claims of the Company arising under this Agreement.

16.4 Governing Law and Venue

To the extent not subject to the jurisdiction of the FERC, questions including those concerning the formation, validity, interpretation, execution, amendment, termination and construction of this Agreement shall be governed by the laws of the Commonwealth of

Pennsylvania, without regard to principles of conflicts of law. Except for matters jurisdictional to FERC, the PUC or the appellate courts having jurisdiction over the PUC or FERC matters, all disputes hereunder shall be resolved in the Pennsylvania State court or Federal court of competent jurisdiction and within reasonably close proximity to the Company. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

16.5 Regulatory Approvals

DS Supplier agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the Agreement and/or Transaction Confirmations hereunder. The commencement of the Delivery Period and the obligations hereto are subject to (i) the receipt or waiver by Company of all Company required regulatory approvals, (ii) the receipt or waiver by DS Supplier of all DS Supplier required regulatory approvals, and (iii) Pennsylvania PUC approval.

16.6 Headings

The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

16.7 Third Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties hereto and nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

16.8 General Miscellaneous Provisions

(a) This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership

obligation or liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

(b) Cancellation, expiration or Early Termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including warranties, remedies, promises of indemnity and confidentiality.

(c) Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the agreement of the Parties; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.

(d) Each of the Parties acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This Agreement is intended by the Parties as a final expression of their agreement. The Parties further agree that this Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the Parties relating thereto. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement or any Transaction.

16.9 Taxes

As between the Parties: (i) The DS Supplier is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on the wholesale sales of DS Supply under this Agreement; and (ii) The Company is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on retail sales of DS Supply under this Agreement. Should the DS Supplier be required to remit any Pennsylvania State Sales and Use Taxes directly to the applicable taxing authority, other than taxes previously collected by the DS Supplier on behalf of the Company, the Company will defend and indemnify the DS Supplier for such Sales and Use Taxes and will pay to the DS Supplier all such tax amounts upon demand. If any Transaction is exempt from the payment of any such taxes, the affected DS Supplier will, if requested, provide the Company with valid tax exemption certificates. Should the Company be required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the DS Supplier, the DS Supplier will defend and indemnify the Company and will pay to the Company all such tax amounts upon demand.

16.10 Audit

Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Article 9 (Billing) and 9.1 (i) (Interest on Unpaid Balances) of this Agreement.

16.11 Rules of Interpretation

The following principles shall be observed in the interpretation and construction of this Agreement:

(a) Unless otherwise stated, the terms "include" and "including" when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;

(b) All titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;

(c) References to the singular include the plural and vice versa;

(d) References to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;

(e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing; and

(f) If any payment due under this Agreement would be, by operation of the terms and conditions of any provision hereof, due and payable on a day other than a Business Day, such payment shall be made on the next following Business Day.

16.12 Confidentiality

(a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the

receiving Party on a non-confidential basis; (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation; or (v) such disclosure is made to PJM or Pa PUC and is necessary in order for the Transactions contemplated by this Agreement to be consummated or to otherwise comply with the provisions of this Agreement.

(b) Notwithstanding any other provision of this Section 16.12, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality provisions of this Section 16.12, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.

(c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.

(d) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.12. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party breaches or threatens to breach its obligations

under this Article 16.12, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

16.13 Federal Acquisition Regulation

If any of the following clauses prescribed by the Federal Acquisition Regulation ("FAR"), 48 Code of Federal Regulations Chapter 1, should be deemed to apply to this Agreement, the DS Supplier shall comply with the requirements of such clause(s), and shall include the terms or substance of such clause(s) in its subcontracts, as and to the extent required by the FAR:

(a) Clean Air and Water: § 52.223-2;

(b) Contract Work Hours and Safety Standards Act-Overtime Compensation: § 52.222-4;

(c) Equal Opportunity: § 52.222-26;

(d) Affirmative Action for and Employment Reports on Special Disabled and Vietnam Era Veterans: § 52.222-35 and § 52.222-37;

(e) Affirmative Action for Handicapped Workers: § 52.222-36;

(f) Utilization of Small Business Concerns and Small Disadvantaged Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan: § 52.219-8 and § 52-219-9.

In case of a conflict between the provisions of the FAR and the balance of this Agreement, the requirements of the FAR shall prevail.

16.14 Binding Terms

This Agreement and the rates, terms and conditions herein shall remain in effect for the entire term hereof and each Party agrees not to seek any change to such rates, terms

and conditions pursuant to the FPA, if the FPA is deemed to have jurisdiction over this Agreement, including on the grounds that they are not just and reasonable.

16.15 Amendment

This Agreement, including the appendices hereto, cannot be amended without the written agreement of all Parties prior to such amendment becoming effective. Except as provided in Appendix C, the rates, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine").

16.16 Counterparts

This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument.

16.17 Successors

This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

_____ **By:** _____
[INSERT NAME]
President and Chief Executive Officer
[Citizens' or Wellsboro]

[SUPPLIER SIGNATURES APPEAR ON SUCCEEDING PAGE]

ATTEST:

_____ **By:**_____

[INSERT NAME]
[INSERT TITLE]
[INSERT WINNING BIDDER NAME]

APPENDIX A - CREDIT REQUIREMENTS

This Appendix A addresses the credit requirements and additional provisions with respect to the rights and obligations of each Party.

EDC: [CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

A. DS Supplier Credit Requirements:

Credit Rating of the DS Supplier or Guarantor, as applicable:

S&P	Moody's	Fitch	Maximum Credit Limit
A- and above	A3 and above	A- and above	$15,000,000
BBB +	Baa1	BBB +	$15,000,000
BBB	Baa2	BBB	$15,000,000
BBB-	Baa3	BBB-	$10,000,000
BB+	Ba1	BB+	$5,000,000
BB	Ba2	BB	$5,000,000
BB-	Ba3	BB-	$5,000,000
Below BB-	Below Ba3	Below BB-	N/A

DS Supplier Credit Rating Determination Methodology

The DS Supplier or its Guarantor must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating) equal to the Minimum Rating. A Guaranty substantially in the form of Appendix A-1, Form of Guaranty, shall be deemed acceptable to Company.

DS Supplier Posting Security and Return of Surplus Security

If the Mark-to-Market exposure calculated under Appendix B exceeds the Maximum Credit Limit, then the Company on any Business Day may request that the DS Supplier post a security in accordance with Article 6.7 in the excess amount, such notice to include a written statement explaining in reasonable detail the calculation of such excess amount.

DS Supplier shall deliver to Company such security within two (2) Business Days its receipt of such notice. If the security being held by the Company is not needed to satisfy the DS Supplier credit requirements, the Company shall return such surplus security to the DS Supplier within two (2) Business Days of Company's receipt of a written request by the DS Supplier, such request to include a written statement explaining in reasonable detail the calculation of such surplus amount.

B. Company Credit Requirements:

To ensure performance of its payment obligations and other duties hereunder, DS Supplier shall provide to Company ten (10) Business Days in advance of the initial Pricing Period, as set forth in the applicable Transaction Confirmation, a security calculation, and the Company shall provide to DS Supplier no later than two (2) Business Days in advance of such first Pricing Period, security in an acceptable form as defined in Article 6.7. Such security shall be in an amount equal to 1.5 times the highest projected monthly invoice for the then applicable Pricing Period for such Transaction Confirmation ("Company Security") as calculated by the DS Supplier based on a reasonable projection of expected DS Load, minus the Maximum Credit Limit specified for the Company below:

COMPANY MAXIMUM CREDIT LIMIT: [TBD]

Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such excess amount.

With respect to each subsequent Pricing Period, the DS Supplier shall refresh the Company Security calculation in advance of each Pricing Period, taking into account any security currently held by the DS Supplier and available during the subsequent Pricing Period, and

provide notice to the Company ten (10) Business Days in advance of the Pricing Period of any adjustments to the Company Security for the subsequent Pricing Period. Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such adjustment amount. If the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than two (2) Business Days in advance of the new Pricing Period. If the adjustment results in the DS Supplier holding excess Company Security, the DS Supplier shall return such excess security to the Company no later than the end of the then current Pricing Period (for avoidance of confusion, in advance of the subsequent Pricing Period). If DS Supplier refreshes the Company Security calculation after the beginning of a Pricing Period instead of in advance of the Pricing Period, and the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than five (5) Business Days after its receipt of such notice from DS Supplier.

C. Letter of Credit:

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit, issued by a commercial bank that has an office, branch, or place of business in the United States where claims can be presented having assets of at least $10 billion and a Credit Rating of at least "A-" from S&P or "A3" from Moody's, substantially in the form set forth in Appendix A-2 attached hereto or such other form as otherwise agreed to by the Parties, which approval shall not be unreasonably withheld by a Party. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

D. Grant of Security Interest/Remedies

To secure its obligations under this Agreement and to the extent that a Party has posted Margin/collateral hereunder, such Party hereby grants to the other Party a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the other Party, and the DS Supplier and the Company agree to take such action as is reasonably required to perfect the secured Party's first priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of such Party with respect to all collateral, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party whether held in connection with this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all security held by or for the benefit of the Non-Defaulting Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Non-Defaulting Party shall apply the proceeds of the collateral realized upon the exercise of such rights or remedies to reduce the Defaulting Party's obligation

under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply (the Defaulting Party remaining liable for any amounts owing to the Non-Defaulting Party after such application), subject to the Non-Defaulting Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

Appendix A-1
Form of Guaranty

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by _____("**Guarantor**"), in favor of _____*]* ("**Counterparty**").

RECITALS:

A. WHEREAS, Counterparty and **[Winning Bidder]** ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain ***[Specify Name of Agreement]*** [dated/entered into/effective as of] _____ _____, 20__ (the "**Underlying Agreement**"); and

B. WHEREAS, Counterparty and Obligor may from time to time enter into one or more transactions pursuant and subject to the terms of the Underlying Agreement (the "**Transactions**"), which Transactions would be evidenced by one or more confirmations entered into by Obligor and Counterparty in accordance with the Underlying Agreement (which documentation shall, together with the Underlying Agreement, collectively be referred to hereinafter as the "**Agreement**"); and

C. WHEREAS, Guarantor will directly or indirectly benefit from the Transactions to be entered into between Obligor and Counterparty pursuant to the Agreement.

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Counterparty's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Counterparty as follows:

* * *

GUARANTY. Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to Counterparty arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:

Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ *[spell out the dollar amount]* U.S. Dollars (U.S. $_____) (the "**Maximum Recovery Amount**").

The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the Counterparty (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in *Section 1(a)* above). In no event, however, shall Guarantor be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

DEMANDS AND PAYMENT.

(a) If Obligor fails to pay any Obligation to Counterparty when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), Counterparty may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").

(b) Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to Counterparty is conditioned upon Guarantor's receipt of a Payment Demand from Counterparty satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with *Section 9* below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) After issuing a Payment Demand in accordance with the requirements specified in *Section 2(b)* above, Counterparty shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of New York.

REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

it is a corporation duly organized and validly existing under the laws of the State of _____and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

RESERVATION OF CERTAIN DEFENSES. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.

AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Counterparty.

WAIVERS AND CONSENTS. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Except as required in *Section 2* above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that Counterparty seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.

(b) No delay by Counterparty in the exercise of (or failure by Counterparty to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).

(c) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Counterparty may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release any person (other than Obligor or Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

REINSTATEMENT. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by Counterparty as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

TERMINATION. Guarantor may terminate this Guaranty by providing a written termination notice to Counterparty specifying the date upon which such termination will take effect (*provided* that no such termination shall take effect prior to 5:00 p.m. (Eastern Prevailing Time) on the fifth (5th) Business Day after the termination notice has been delivered to Counterparty in accordance with *Section 9* hereof). Upon the effectiveness of such termination, Guarantor shall have no further liability hereunder, except as may pertain pursuant to the last sentence of this paragraph. No such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time such termination is effective, which Obligations shall remain subject to this Guaranty.

Unless terminated earlier, this Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately [upon the **[fourth] anniversary of the Effective Date**/at 11:59:59 p.m. Eastern Prevailing Time on [**_____, 20__**]]; *provided, however*, that no such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time the termination is effective, which Obligations shall remain subject to this Guaranty.

NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by Counterparty to Guarantor, or by Guarantor to Counterparty, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Counterparty, as applicable, to the other in accordance with the requirements of this *Section 9*):

*TO GUARANTOR: **	*TO COUNTERPARTY:*
_____ _____	_____ _____ _____ *Attn:* [Credit Manager]
[Tel: (___) ___-____ -- for use in connection with courier deliveries]	*[Tel: (___) ___-___ -- for use in connection with courier deliveries]*

* *(NOTE: Copies of any Notices to Guarantor under this Guaranty shall also be sent via electronic mail to ATTN:.*

* *(NOTE: Copies of any Notices to Counterparty under this Guaranty shall also be sent via electronic mail to ATTN:*

However, such electronic transmissions shall not be deemed effective for delivery purposes under this Guaranty.)

Any Notice given in accordance with this *Section 9* will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

MISCELLANEOUS.

(a) This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of New York, without regard to principles of conflicts of laws thereunder (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Counterparty and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Counterparty. Counterparty may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.

(c) This Guaranty embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) Counterparty (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably: (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the Supreme

Court of the State of New York, New York County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of New York) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by Counterparty, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

(g) COUNTERPARTY (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

(h) Delivery of an executed signature page of this Guaranty, and any subsequent amendment(s), by facsimile transmission or other electronic transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed signature page hereof.

* * *

SIGNATURE ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20__, but it is effective as of the Effective Date.

[INSERT GUARANTOR NAME]

By:

_____

Name:

_____

Title:

_____

APPENDIX B - MTM EXPOSURE AMOUNT CALCULATION INFORMATION

To calculate credit exposure, a Mark-to-Market ("MtM") credit exposure methodology will be used. On each Trigger Date (as defined in Exhibit 1) the MtM will be calculated for each Billing Month of the upcoming Pricing Period by the DS Supplier, and the total MtM credit exposure will equal the sum of the MtM credit exposures for each Billing Month during such upcoming Pricing Period.

For each Billing Month during the applicable Pricing Period, the MtM will be calculated as follows:

Sum of a reasonable expectation of the amount of DS Load (kWh) for such Billing Month times (the Contract Price minus the Forward Market Price ($/kWh)).

Where:

Contract Price = the sum of the Applicable Index for DS Fixed Price load plus the Supplier Adder ($/kWh).

The Market Price Hub is PJM RT Western Hub.

For the avoidance of doubt, the MtM calculation will exclude any DS Variable Price load.

APPENDIX C - DS SUPPLY SPECIFICATIONS

The following DS Supply specifications will be specified in Transaction Confirmations to this SMA.

Product:

Full Requirements Service, meaning all of the following necessary services or products that are required to supply the DS Responsibility Share for the DS Customers associated with the Transaction Confirmation, including:

Energy, Capacity, transmission, Ancillary Services, Alternative Energy Credits for compliance with the AEPS Act, transmission and distribution system losses, congestion management costs, and such other products and services that are required except for distribution service.

Appendix D - describes Company and DS Supplier Responsibilities for PJM Billing Statement Line Item Credits and Charges associated with the Product, including assignment of NITS, Capacity and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") expenses for the default service loads to the Companies through PJM billing line item transfers ("BLITs").

Appendix E - further describes DS Supplier responsibilities for compliance with the AEPS Act in the product specification.

DS Customer Group:

Each Transaction Confirmation shall be associated with DS Supply to one of the following DS Customer categories as defined in the DS Tariff:

Residential;

Small Commercial (annual peak demands less than or equal to 400kW);

Large Commercial and Industrial (peak demands greater than 400kW)

Service Type: All rate classes on default service

Delivery Point: [Citizens' Aggregate or Wellsboro Aggregate]

Delivery Period: June 1, 2025 through May 31, 2029

Number of Tranches and Percentage for Each Tranche: 1 Tranche (100%)

DS Supplier Responsibility Share: 100%.

DS Fixed Percentage/DS Variable Percentage: The percentage of DS Supply provided at a fixed price and the percentage of DS Supply provided at a variable price will vary by month based on the usage of the Company's DS customers. The Parties will develop protocols and procedures to accurately track and reconcile deliveries between fixed and variable. In addition, such protocols and procedures will ensure that usage by customers that are served by EGSs is excluded from Supplier's obligations hereunder.

APPENDIX D – RESPONSIBILITIES FOR PJM BILLING LINE ITEMS AS DEFINED IN APPLICABLE PJM AGREEMENT OR MANUAL

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
ID#	**CHARGES**		
1000	Amount Due for Interest on Past Due Charges		X
1100	Network Integration Transmission Service	X	
1108	Transmission Enhancement	X	
1110	Direct Assignment Facilities		X
1115	Transmission Enhancement Settlement (EL05-121-009)	X	
1120	Other Supporting Facilities		X
1130	Firm Point-to-Point Transmission Service		X
1133	Firm Point-to-Point Transmission Service Resale		X
1140	Non-Firm Point-to-Point Transmission Service		X
1143	Non-Firm Point-to-Point Transmission Service Resale		X
1200	Day-ahead Spot Market Energy		X
1205	Balancing Spot Market Energy		X
1210	Day-ahead Transmission Congestion		X
1215	Balancing Transmission Congestion		X
1216	Pseudo-Tie Balancing Congestion Refund		X
1218	Planning Period Congestion Uplift		X
1220	Day-ahead Transmission Losses		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1225	Balancing Transmission Losses		X
1230	Inadvertent Interchange		X
1240	Day-ahead Economic Load Response		X
1241	Real-time Economic Load Response		X
1242	Day-ahead Load Response Charge Allocation		X
1243	Real-time Load Response Charge Allocation		X
1245	Emergency Load Response		X
1250	Meter Error Correction		X
1260	Emergency Energy		X
1301	PJM Scheduling, System Control and Dispatch Service – Control Area Administration		X
1302	PJM Scheduling, System Control and Dispatch Service – FTR Administration		X
1303	PJM Scheduling, System Control and Dispatch Service –Market Support		X
1304	PJM Scheduling, System Control and Dispatch Service – Regulation Market Administration		X
1305	PJM Scheduling, System Control and Dispatch Service – Capacity Resource/Obligation Mgmt.		X
1306	PJM Scheduling, System Control and Dispatch Service – Advanced Second Control Center		X
1307	PJM Scheduling, System Control and Dispatch Service – Market Support Offset		X
1308	PJM Scheduling, System Control and Dispatch Service Refund – Control Area Administration		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1309	PJM Scheduling, System Control and Dispatch Service Refund – FTR Administration		X
1310	PJM Scheduling, System Control and Dispatch Service Refund – Market Support		X
1311	PJM Scheduling, System Control and Dispatch Service Refund –Regulation Market Administration		X
1312	PJM Scheduling, System Control and Dispatch Service Refund – Capacity Resource/Obligation Mgmt.		X
1314	Market Monitoring Unit (MMU) Funding		X
1315	FERC Annual Charge Recovery		X
1316	Organization of PJM States, Inc. (OPSI) Funding		X
1317	North American Electric Reliability Corporation (NERC)		X
1318	Reliability First Corporation (RFC)		X
1319	Consumer Advocates of PJM States, Inc. (CAPS)		X
1320	Transmission Owner Scheduling, System Control and Dispatch Service		X
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service		X
1340	Regulation and Frequency Response Service		X
1350	Energy Imbalance Service		X
1360	Synchronized Reserve		X
1362	Non-Synchronized Reserve		X
1365	Day-ahead Scheduling Reserve		X
1370	Day-ahead Operating Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1371	Day-ahead Operating Reserve for Load Response		X
1375	Balancing Operating Reserve		X
1376	Balancing Operating Reserve for Load Response		X
1377	Synchronous Condensing		X
1378	Reactive Services		X
1380	Black Start Service		X
1390	Fuel Cost Policy Penalty		X
1400	Load Reconciliation for Spot Market Energy		X
1410	Load Reconciliation for Transmission Congestion		X
1420	Load Reconciliation for Transmission Losses		X
1430	Load Reconciliation for Inadvertent Interchange		X
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		X
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		X
1442	Load Reconciliation for Schedule 9-6 – Advanced Second Control Center		X
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding		X
1445	Load Reconciliation for FERC Annual Charge Recovery		X
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		X
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)		X
1448	Load Reconciliation for Reliability First Corporation (RFC)		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1449	Load Reconciliation for Consumer Advocates of PJM States, Inc. (CAPS) Funding		X
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		X
1460	Load Reconciliation for Regulation and Frequency Response Service		X
1470	Load Reconciliation for Synchronized Reserve		X
1472	Load Reconciliation for Non-Synchronized Reserve		X
1475	Load Reconciliation for Day-ahead Scheduling Reserve		X
1478	Load Reconciliation for Operating Reserve		X
1480	Load Reconciliation for Synchronous Condensing		X
1490	Load Reconciliation for Reactive Services		X
1500	Financial Transmission Rights Auction		X
1600	RPM Auction	X	
1610	Locational Reliability	X	
1650	Auction Specific MW Capacity Transaction		X
1660	Load Management Compliance Penalty		X
1661	Capacity Resource Deficiency		X
1662	Generation Resource Rating Test Failure		X
1663	Qualifying Transmission Upgrade Compliance Penalty		X
1664	Peak Season Maintenance Compliance Penalty		X
1665	Peak-Hour Period Availability		X
1710	PJM/MISO Seams Elimination Cost Assignment		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1720	RTO Start-up Cost Recovery		X
1730	Expansion Cost Recovery		X
1900	Unscheduled Transmission Service		X
1910	Ramapo Phase Angle Regulators		X
1911	Michigan-Ontario Interface Phase Angle Regulators		X
1920	Station Power		X
1930	Generation Deactivation		X
1932	Generation Deactivation Refund		X
1950	Virginia Retail Administrative Fee		X
1952	Deferred Tax Adjustment		X
1955	Deferral Recovery		X
1957	Schedule 11A PJM Net		X
1980	Miscellaneous Bilateral		X
1995	PJM Annual Membership Fee		X
1999	PJM Customer Payment Default		X
ID#	**CREDITS**		
2100	Network Integration Transmission Service	X	
2108	Transmission Enhancement	X	
2110	Direct Assignment Facilities		X
2120	Other Supporting Facilities		X
2130	Firm Point-to-Point Transmission Service		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2132	Internal Firm Point-to-Point Transmission Service		X
2133	Firm Point-to-Point Transmission Service Resale		X
2140	Non-Firm Point-to-Point Transmission Service		X
2142	Internal Non-Firm Point-to-Point Transmission Service		X
2143	Non-Firm Point-to-Point Transmission Service Resale		X
2210	Transmission Congestion		X
2211	Day-ahead Transmission Congestion		X
2215	Balancing Transmission Congestion		X
2217	Planning Period Excess Congestion		X
2218	Planning Period Congestion Uplift		X
2220	Transmission Losses		X
2240	Day-ahead Economic Load Response		X
2241	Real-time Economic Load Response		X
2245	Emergency Load Response		X
2260	Emergency Energy		X
2320	Transmission Owner Scheduling, System Control and Dispatch Service		X
2330	Reactive Supply and Voltage Control from Generation and Other Sources		X
2340	Regulation and Frequency Response Service		X
2350	Energy Imbalance Service		X
2360	Synchronized Reserve		X
2362	Non-Synchronized Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2365	Day-ahead Scheduling Reserve		X
2370	Day-ahead Operating Reserve		X
2371	Day-ahead Operating Reserve for Load Response		X
2375	Balancing Operating Reserve		X
2376	Balancing Operating Reserve for Load Response		X
2377	Synchronous Condensing		X
2378	Reactive Services		X
2380	Black Start Service		X
2390	Fuel Cost Policy Penalty		X
2415	Balancing Transmission Congestion Load Reconciliation		X
2420	Load Reconciliation for Transmission Losses		X
2500	Financial Transmission Rights Auction		X
2510	Auction Revenue Rights		X
2600	RPM Auction	X	
2620	Interruptible Load for Reliability	X	
2630	Capacity Transfer Rights		X
2640	Incremental Capacity Transfer Rights		X
2650	Auction Specific MW Capacity Transaction		X
2660	Load Management Compliance Penalty		X
2661	Capacity Resource Deficiency		X
2662	Generation Resource Rating Test Failure		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2663	Qualifying Transmission Upgrade Compliance Penalty		X
2664	Peak Season Maintenance Compliance Penalty		X
2665	Peak-Hour Period Availability		X
2710	PJM/MISO Seams Elimination Cost Assignment		X
2720	RTO Start-up Cost Recovery		X
2730	Expansion Cost Recovery		X
2910	Ramapo Phase Angle Regulators		X
2912	CT Lost Opportunity Cost Allocation		X
2930	Generation Deactivation		X
2932	Generation Deactivation Refund		X
2950	Virginia Retail Administrative Fee		X
2980	Miscellaneous Bilateral		X
2996	Annual PJM Cell Tower		X
2997	Annual PJM Building Rent		X

APPENDIX E – DS SUPPLIER'S OBLIGATIONS FOR AEPS COMPLIANCE

To satisfy AEPS with respect to the DS Supplier's Responsibility Share, DS Supplier shall fulfill the following obligations:

(1) Providing sufficient AECs for each tranche awarded via the DS Solicitation less the Allocated AECs; AEC requirements are driven by each Company submitting load data at the meter point into the AEPS website. The Company will provide DS Supplier with the Obligation letter from PennAEPS for each Energy Year "EY".

(2) Paying any AEPS penalties, costs, charges, etc. assessed against the DS Supplier and/or the Company associated with the DS Supplier's non-performance with AEPS requirements;

(3) Submitting to the Company proof of AEPS compliance under this Agreement in such form and manner as may be required by the Company.

(4) Provide to the Company all information the Company may require to comply with the AEPS Act and its implementing regulations and other Requirements of Law, including, but not limited to the price paid per AEC required by 73 Pa.C.S. §1648.3(e)(8).

This Appendix E shall confirm the Alternative Energy Portfolio Standards Obligation of the Transaction agreed to on March __, 2025 ("Bid Proposal Due Date").

Alternative Energy Portfolio Standards Obligations for the period beginning June 1, 2025 based on the total MWh supplied by DS Supplier:

Compliance Period	Tier 1	PV	Tier 2
6/1/2025 to 5/31/2026	8.0%	0.5000%	10%
6/1/2026 to 5/31/2027	8.0%	0.5000%	10%

6/1/2027 to 5/31/2028	8.0%	0.5000%	10%
6/1/2028 to 5/31/2029	8.0%	0.5000%	10%

The Tier 1 percentages are inclusive of the PV percentages. For example, of the 8.0% of retail sales required to come from Tier 1 sources during the 2025/2026 Compliance Period, at least 0.5000% of all retail sales must come from PV sources.

In the event of a change to the AEPS Act ("AEPS Change in Law"), DS Supplier shall be responsible for procuring additional AECs required due to the AEPS Change in Law for Wellsboro and/or Citizens' default service load. DS Supplier shall be able to pass through without markup the additional costs incurred due to the AEPS Change in Law; however, such additional costs shall not exceed 105% of the reported mid-price on AMEREX for the product or products on the 60th day preceding commencement of the PJM Compliance Year(s) (May 31 – June 1) for which the AEPS Change in Law applies. If the 60th day preceding commencement of the Compliance Year is not a trading day, then the reported price(s) shall be as of the first trading day after that date.

If the Alternative Energy Portfolio Requirements change for any reason other than a change to the AEPS Act, such as an update to Section 2814(c) of the Public Utility Code, 66 Pa. C.S. § 2814(c), the DS Supplier shall be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service.

Allocated AECs: Supplier shall take on assignment of any AECs purchased by Company prior to the Effective Date, which shall be specified below:

NONE

EXHIBIT 1
TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated March __, 2025, between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** ("Company") and **[Winning Bidder]** ("DS Supplier"). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on March __, 2025 ("Transaction Date").

Product:	Full Requirements - Load Following
Service Type:	DS Customers
Delivery Point:	**[Citizens' Aggregate or Wellsboro Aggregate]**
Delivery Period:	June 1, 2025 through May 31, 2029
Bid Blocks:	1
Specified Percentage:	100% of DEFAULT SERVICE Load
Supplier Adder:	_____ cents per kWh
Monthly Settlement Price:	(Applicable index + Supplier Adder) x Hourly DSP kWh
Applicable Index:	DS Variable Price Load: monthly load-weighted average of the Real Time PJM Western Hub LMP (kWh)

DS Fixed Price Load: Mathematical Average of Monthly Prices for PJM Western Hub Real-Time Peak (800MWh) Fixed Price (cents per kWh) at the Trigger Date (defined below) as published by the Intercontinental Exchange ("ICE").

If, at any time during the Delivery Period, the Applicable Index is not published by ICE, the Company and DS Supplier shall use commercially reasonable best efforts to agree on a market index substantially equivalent to the Applicable Index.

Trigger dates will be announced by 3:00 PM EPT for pricing at the end of the same day. If a Trigger Date is announced that falls on a day other than a Business Day, the actual Trigger Date will be the next Business Day following the announced Trigger Date. If no Trigger Date for a Pricing Period has been announced by the final day of the Trigger Date date range (defined below), the Trigger Date shall be the final day of the Trigger Date date range for that applicable Pricing Period; provided that if such Trigger Date has not been announced for a Pricing Period and the final date of the Trigger Date date range for the applicable Pricing Period is not a Business Day, then the following Business Day shall be the Trigger Date for such Pricing Period.

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation by electronic mail at **[insert Citizens' or Wellsboro email address]**. The signatories to this Transaction must have the authority to enter into this Transaction.

[CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

By: _____
Name: **[INSERT NAME]**.
Title: President and CEO

[WINNING BIDDER]

By:_____
Name: **[INSERT NAME]**
Title: **[INSERT TITLE]**

EXHIBIT 2
FORM OF NOTICE

Any notices required under this Agreement shall be made as follows:

Buyer: **[CITIZENS' OR WELLSBORO]**	DS Supplier: **[WINNING BIDDER]**
All Notices:	**All Notices:**
Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:	Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:
Invoices:	**Invoices:**
Attn: Phone: Email:	Attn: Phone: Email:
Scheduling:	**Scheduling:**
Attn: Phone: Email:	Attn: Phone: Email:
Payments:	**Payments:**
Attn: Phone: Email:	Attn: Phone: Email:
Wire Transfer:	**Wire Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:
ACH Transfer	**ACH Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:

Credit and Collections:

Attn:
Phone:
Email:

With additional Notices of an Event of Default to:

Attn:
Phone:
Email

Credit and Collections:

Attn:
Phone:
Email:

With Additional Notices of an Event of Default to:

Attn:
Phone:
Email:

EXHIBIT 3
DECLARATION OF AUTHORITY

PRINCIPAL AGENT DECLARATION OF AUTHORITY

This DECLARATION OF AUTHORITY ("Declaration") is a declaration and certification between [Principal Company Name], a [Principal State of Incorporation] [Principal Type of Entity] with its principal place of business located at [Principal Address] ("Principal" – PJM Member), [Agent Company Name], a [Agent State of Incorporation] [Agent Type of Entity] with its principal place of business located at [Agent Address] ("Agent"), and PJM Interconnection, L.L.C. ("PJM LLC"), a Delaware Limited Liability Company, (collectively the "Parties").

RECITALS:

WHEREAS, PJM LLC is a Regional Transmission Organization and Independent System Operator subject to the jurisdiction of the Federal Energy Regulatory Commission;

WHEREAS, PJM Settlement, Inc. ("PJM Settlement") is a Pennsylvania non-profit corporation, incorporated for the purpose of providing billing and settlement functions and credit and risk management functions for PJM. References to "PJM" in this Declaration are to PJM LLC and/or PJM Settlement, collectively, with regard to their respective functions;

WHEREAS, PJM LLC and PJM Settlement administer and settle centralized markets that clear various electric energy and energy-related products among multiple buyers and sellers;

WHEREAS, Principal is a PJM Member and seeks to obtain, or is obtaining, services provided or administered by PJM, seeks to participate, or is participating in, markets administered by PJM, or seeks to engage in, or is engaging in, operations that use or affect the integrated transmission system operated by PJM;

WHEREAS, such activities or contemplated activities by Principal and Agent are governed by rights, responsibilities and obligations established by or under the PJM Open Access Transmission Tariff ("Tariff"), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), Reliability Assurance Agreement Among Load-serving Entities in the PJM Region ("RAA"), and other agreements, manuals, and practices of PJM (the Tariff, the Operating Agreement, the RAA, and such other agreements, manuals, and practices of PJM, the "PJM Agreements");

WHEREAS, Principal and Agent each derive benefit from entering into this Declaration;

WHEREAS, Principal and Agent are parties to an agreement, the terms of which are not incorporated herein, in which Principal has authorized Agent to act for Principal with respect to certain rights, responsibilities and obligations on behalf of Principal, including serving as a financial obligor as it relates to Principal's obligations and responsibilities under the Tariff, RAA and or Operating Agreement identified herein;

WHEREAS, Principal and Agent desire to declare to PJM their respective authorities

concerning such rights, responsibilities and obligations, and intend that PJM rely upon such declaration; and

WHEREAS, Principal and Agent hereby agree that this Declaration shall supersede and replace all prior declarations of authority entered into between Principal and Agent regarding the authorities and resources described herein.

NOW, THEREFORE, acknowledging that PJM will rely on the truth, accuracy, and completeness of the statements made below, Principal and Agent, as indicated below, make the following certifications:

1. Exclusivity of Agent's Authority.

Pursuant to a binding, legally enforceable agreement, Principal has authorized Agent to act for Principal with respect to certain Authorized Rights, Responsibilities, and Obligations as specified in section 2 of this Declaration. With respect to the Authorized Rights, Responsibilities and Obligations, Agent is authorized to communicate and transact with PJM as Principal's sole and exclusive agent, and PJM is authorized to communicate and transact directly and exclusively with Agent as Principal's agent. With respect to the Authorized Rights, Responsibilities, and Obligations, Principal will abide by any direction issued by PJM to Agent.

2. Specification of Authorized Rights, Responsibilities and Obligations.

In the following subparts, Principal and Agent specify the rights, responsibilities and obligations for which Principal authorizes Agent to act for Principal (the "Authorized Rights, Responsibilities, and Obligations"). The Authorized Rights, Responsibilities, and Obligations apply only to those portions of Principal's facilities and/or directly served loads located in the PJM Region[1] and identified herein, and to no other facilities or loads of Principal.

[Only responsibilities selected will be shown on document]

Load Server Responsibilities.

Load – Energy, Ancillary Service and Capacity in Principal's Account: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Principal's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

[1] Capitalized terms not otherwise defined herein have the meaning specified in, as applicable, the Tariff, the Operating Agreement, and the Reliability Assurance Agreement among Load-Serving Entities in the PJM Region ("RAA")

Load – Energy, Ancillary Service and Capacity in Agent's Account: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Agent's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain, and/or administer Auction Revenue Rights ("ARRs") or Financial Transmission Rights ("FTRs") with respect to service of Principal's load, in accordance with the PJM Agreements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – Transmission Service: Principal authorizes Agent to perform the Transmission Service-related obligations, roles and responsibilities of Principal in accordance with the PJM Agreements, including, without limitation, providing or arranging for Transmission Service to the Principal's load(s) requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf, for the Accounts listed below and any current and subsequent associated sub-accounts.

PJM Org. ID	PJM Short Name	Current PJM Long Name	New PJM Long Name

Generator Responsibilities.

Generator – Energy Dispatching: Principal authorizes Agent to operate or to direct the operations of the Principal's generation resource(s), listed below, in all events, including, without limitation, to emergencies, and shall operate such resource(s) in a manner that is consistent with the standards, requirements, or directions of PJM, in accordance with the PJM Agreements.

Generator – Telemetry Using Principal's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Principal's telemetry communication link provided by PJM to Principal, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Telemetry Using Agent's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Agent's telemetry communication link provided by PJM to Agent, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Energy Scheduling: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of energy and ancillary services, excluding Black Start Service, from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Capacity: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of capacity from Principal's generation resource(s) listed below in accordance with the PJM Agreements, including, without limitation, to satisfying the qualification requirements of a capacity resource, transacting capacity bilaterally, specifying replacement capacity, satisfying the delivery year requirements of a committed resource, offering qualified capacity into Reliability Pricing Model ("RPM") Auctions or committing qualified capacity to a Fixed Resource Requirement ("FRR") plan.

Generator – eDART: Principal authorizes Agent to communicate electronically and/or verbally on behalf of Principal with PJM related to Principal's generation resource(s), listed below, in accordance with the PJM Agreements, including, but not limited to, generator outage tickets, equipment and/or facility parameters, reactive power capacity, Instantaneous Reserve Check (IRC), and GO Survey.

Generator – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain and/or administer Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs") with respect to the Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Black Start: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of Black Start Service from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Fuel Cost Policy: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the Fuel Cost Policy for Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator Name (ISA/WMPA/CSA)	Resource Name (Capacity Exchange)	Resource ID (Capacity Exchange)	Unit Name (Markets Gateway)	Unit ID (Markets Gateway)	PJM Queue Number

Billing Responsibilities.

Billing – Using Principal's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Principal shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Principal's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Using Agent's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Agent shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Agent's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Schedule 2, Reactive Supply in Principal's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Principal's account established within PJM's system.

Billing – Schedule 2, Reactive Supply in Agent's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Agent's account established within PJM's system.

Transmission Owner Responsibilities.

Transmission Owner – All Responsibilities: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations as a Transmission Owner under the PJM Agreements and Consolidated Transmission Owners Agreement, including, without limitation, communicating with PJM regarding all matters relating to Principal's Transmission Owner responsibilities within PJM, and operating Principal's transmission facilities in a manner that is consistent with the standards, requirements, or directions of PJM and that will permit PJM to perform its obligations under the PJM Agreements and applicable NERC standards, for the Principal owned transmission facilities at the substations listed below.

Transmission Substation	B2 – Voltage Level

Transmission Owner – Transmission Service: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations under the PJM Agreements, including, without limitations, providing or arranging for Transmission Service to the Principal's load(s), requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf.

Transmission Owner – eDART: Principal authorizes Agent to communicate electronically and/or verbal on behalf of Principal with PJM related to all Principal's transmission facilities in accordance with the PJM Agreements, including, but not limited to, transmission outage tickets, transmission facility parameters and system model information.

Transmission Owner – MOD-32: Principal authorizes Agent to provide MOD-032 compliance submittals to PJM on behalf of Principal. Principal authorizes PJM to obtain and provide Agent necessary software licenses for MOD-032 submittals. Principal recognizes that authorizing Agent to submit MOD-032 compliance data on its behalf does not relieve Principal of compliance requirements or enforcement actions that may be incurred with respect to the timeliness, completeness, and accuracy of the data, drawings, or other information provide to PJM by Agent.

Additional Responsibilities.

Telemetry: Principal authorizes PJM to share Real Time telemetry data with Agent.

Other: Principal authorizes Agent to receive other rights and perform other responsibilities and obligations of Principal as follows:

_____

_____

_____

3. Continuing Responsibilities and Liabilities of Principal and/or Agent.

(a) The Authorized Rights, Responsibilities and Obligations are the only rights, responsibilities and obligations under the PJM Agreements for which Principal authorizes Agent to act for Principal.

(b) All Principal's rights, responsibilities and obligations under the PJM Agreements not specified in section 2 of this Declaration or in an Addendum or Attachment hereto shall remain with Principal.

(c) Notwithstanding the authorizations granted to the Agent to act on behalf of Principal specified herein, nothing in this Declaration changes, diminishes or eliminates Principal's rights, obligations and responsibilities under the PJM

Agreements to the extent Agent fails to satisfy those obligations on behalf of Principal. In such case, Principal shall retain all of its rights, and remain ultimately responsible for all of its obligations and responsibilities, set forth in the PJM Agreements. Any failure of the Agent to act on Principal's behalf is a matter solely between Principal and Agent and Principal's sole redress in such case is against Agent.

(d) With respect to the Authorized Rights, Responsibilities and Obligations, and notwithstanding any other provision of this Declaration, Principal and Agent shall be held jointly and severally liable to PJM for all amounts due or which become due to PJM under the PJM Agreements, and Agent's authorization to make payment of any such amounts hereunder (if specified in section 2 of this Declaration) shall not release Principal from liability for any financial obligations to PJM not satisfied by Agent.

(e) Agent understands and agrees that its payment obligations with respect to the Authorized Rights, Responsibilities and Obligations shall be without right of setoff or netting with respect to any other obligation of Principal to PJM.

4. Reliance and Indemnity, Duty to Inform, Liability Waiver, Termination, and Rules of Construction.

(a) Principal and Agent each recognizes, accepts, and intends that PJM will rely upon on the truth, accuracy, and completeness of the declarations herein in matters including, but not limited to, creditworthiness and in assuring compliance with the PJM Agreements. Principal and Agent each recognizes and accepts that PJM or its Members may suffer losses and damages if any declaration is or becomes untrue, inaccurate, or incomplete. Principal and Agent agree to indemnify PJM for any losses and damages that it may suffer as a direct result of this Declaration. Nothing herein shall relieve Principal of its obligations pursuant to the PJM Agreements.

(b) Principal and Agent each has a continuing duty to notify PJM if and when any declaration herein ceases to be truthful, accurate, or complete. Until such time as PJM receives written notification of any change to any declaration, in accordance with the terms contained herein, PJM shall be entitled to rely perpetually on this Declaration, as governing its relationship with Principal and Agent, as to the subject matter of this Declaration. Written notice of changes to the declarations contained herein must be provided by Principal (a PJM Member) to PJM at least thirty (30) days in advance of their effectiveness. If Agent is also a PJM Member, then both parties will be required to provide thirty (30) days' prior written notification in order for such changes to be effective. Such notification is required for changes to certifications and identification of resources.

(c) In the event of default by Principal or Agent under this Declaration or any PJM Agreement, PJM may terminate this Declaration immediately upon notice to Principal and Agent.

(d) Principal (a PJM Member) may, for its sole convenience, terminate this Declaration by providing at least sixty (60) days' prior written notification to PJM in a form acceptable to PJM. If Agent is also a PJM Member, both parties will be required to provide at least sixty (60) days' prior written notification, in a form acceptable to PJM, in order for termination to become effective. Upon such termination, (1) all future rights and responsibilities associated with the subject matter of this Declaration shall revert to Principal, and Principal hereby agrees to accept any such reversion as principal and to satisfy all obligations and requirements associated therewith (including, but not limited to, creditworthiness requirements); and (2) all obligations associated with the subject matter of this Declaration undertaken or committed by Agent on behalf of Principal pursuant to this Declaration and during the term in which this Declaration was effective shall remain the joint and several obligation of Principal and Agent for as long as those obligations last.

(e) This Declaration shall automatically terminate upon the deactivation, or transfer to a third party, of all resources identified herein.

(f) Nothing in this Declaration shall be construed to create or give rise to any liability on the part of PJM and Principal and Agent expressly waive any claims that may arise against PJM under this Declaration. Principal and Agent, jointly and severally, agree to hold PJM harmless from any claims or disputes related to this Declaration, both prior to and after termination. This Declaration shall not be construed to modify any of the PJM Agreements and in the event of conflict between this Declaration and a PJM Agreement, the applicable PJM Agreement shall control.

(g) Capitalized terms used herein that are not defined herein have the meanings given in the PJM Agreements, as applicable.

The Recitals are hereby incorporated into the body of this Declaration.

5. Effective Date(s).

Principal authorizes Agent to act on behalf of Principal as of _____, 20__ ("Effective Date").

OR

The Effective Date shall be the date upon which this Declaration has been fully executed by each of Principal, Agent and PJM LLC.

6. Further Delegation:

Agent shall not assign any of the referenced rights, obligations or responsibilities to another third party agent pursuant to a separate and valid Declaration of Authority between Agent and that third party or otherwise.
[No responsibilities will be listed]

OR

Principal hereby authorizes Agent to assign the responsibilities listed below to another third party agent or assign pursuant to a separate and valid Declaration of Authority between Agent and that third party, and in which the liability remains joint and several as among Principal, Agent and that third party.
[Only responsibilities selected will be listed, which may be all]

7. Notices.

Any notice or request made to or by Principal, Agent, or PJM shall be made to the representative indicated below.

If to PJM:
PJM Interconnection, L.L.C.
Attn: General Counsel
2750 Monroe Blvd.
Audubon, PA 19403

and

PJM Interconnection, L.L.C.
Attn: Member Relations
2750 Monroe Blvd.
Audubon, PA 19403

If to Principal:
[Principal Company Name]
Attn: [Principal Contact Name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

If to Agent:
[Agent Company Name]
Attn: [Agent contact name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

IN WITNESS WHEREOF, Principal, Agent and PJM LLC execute this Declaration to be

effective on the Effective Date(s) indicated in Section 5 above.

PRINCIPAL

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

AGENT

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

PJM INTERCONNECTION, L.L.C.

Signature:

Name: Jennifer Tribulski

Title: Sr. Director, Member Services

PJM Interconnection, L.L.C.

Date Signed (MM/DD/YY):

Appendix C

CW Statement No. 3

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

DIRECT TESTIMONY

AND EXHIBITS

OF

MELISSA SULLIVAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	**:**		
Electric Company of Lewisburg, PA and	**:**	**Docket Nos.:**	P-2024-
Wellsboro Electric Company for the Period	**:**		P-2024-
of June 1, 2025 Through May 31, 2029	**:**		

DIRECT TESTIMONY OF MELISSA SULLIVAN
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address:

A. My name is Melissa Sullivan and my business address is 33 Austin Street, Wellsboro, Pennsylvania.

Q. By whom are you employed and what position do you hold?

A. I am employed by C&T Enterprises, Inc. ("C&T"), as the Chief Financial Officer ("CFO").

Q. What are your duties in that capacity?

A. As CFO, I have a number of duties, including: administering C&T's financial activities; reporting to C&T's Chief Executive Officers and Board of Directors regarding C&T's financial condition and making recommendations when required; providing accounting support to the affiliated companies; arranging long-term and short-term financing for C&T's affiliates; reviewing the operating companies' monthly financial statements; consolidating the financial statements quarterly for review by C&T's officers, directors, and lending institutions; assisting each accounting department with preliminary and year end audits; reviewing and consolidating annual budgets and supplying the operating companies with projections

for shared services and long-term and short-term debt service projections; and attending at least one Board of Directors meeting for each operating company to review audited financials and provide an update on C&T. In addition, I have responsibility for the oversight of regulatory activities of C&T's affiliates: Citizens' Electric Company of Lewisburg, PA ("Citizens'"); Wellsboro Electric Company ("Wellsboro"); and Valley Energy, Inc. ("Valley"). Regulatory activities include annual Pennsylvania Public Utility Commission ("PUC" or Commission") reporting, securities certificate filings, rate filings, Public Utility Realty Tax Act ("PURTA") filings, State Tax Adjustment Surcharge ("STAS") filings, Generation Supply Service Rate ("GSSR")/Gas Cost Rate ("GCR") filings, and GSSR/GCR audits.

Q. Please describe your employment and educational background.

A. I have a Bachelor of Science degree in Business Administration and Industrial Relations (Human Resources) from Clarion University of Pennsylvania as well as a Master of Science degree in Business Leadership from Wilkes University. I began my career as Business Manager at Galeton Area School District in 2007 and remained there until 2013. In 2013, I accepted a position at Mansfield University of Pennsylvania as Human Resources Manager working directly with the Director of Human Resources and other top officers. In 2014, due to cutbacks at the University, I began serving as Director of Human Resources at SMC Powder Metallurgy, where I remained until taking the position as Chief Financial Officer at C&T Enterprises, Inc. in 2018.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the approach of Citizens' and Wellsboro (each individually, "Company" and collectively, "Companies") to calculating their GSSRs. The Companies intend to maintain the current structure in the default service program beginning June 1, 2025 ("Seventh Joint DSP").

I will also explain how each GSSR will recover the cost components of the Residential/Small C&I and Large C&I procurements. Finally, I will explain how the Companies propose to bill customers under the GSSRs.

Q. How is the GSSR structured currently?

A. The Companies each have one (1) GSSR for Residential customers and Small Commercial and Industrial ("C&I") customers with a registered peak demand below 400 kW ("GSSR-1"); and, a second GSSR for Large C&I customers with a registered peak demand at or above 400 kW ("GSSR-2").[1]

Q. Please summarize your understanding of what costs the Companies can recover through a GSSR under the Commission's regulations?

A. As I understand it, Sections 69.1808(a) and 54.187(d) of the Commission's regulations mandate the recovery of all specified purchased power costs. In accordance with these regulations, and as reflected in the Companies' tariffs, each GSSR currently recovers all appropriate costs associated with power purchasing, including wholesale energy, financial transactions, capacity, transmission, ancillary services, congestion (including experienced congestion, Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs")), losses, applicable Regional

[1] If a Small C&I customer exceeds the 400 kW threshold, it will be treated as a Large C&I account and placed on the GSSR-2.

Transmission Organization ("RTO") or Independent System Operator ("ISO") administrative activities, and supply management costs. The GSSR also recovers administrative costs related to default service, including education, regulations, litigation, tariff filings, and working capital. Finally, the Companies recover Alternative Energy Portfolio Standards ("AEPS") compliance costs through the GSSR as well. These charges are grossed up to collect state taxes such as Gross Receipts Tax ("GRT").

Q. How were costs recovered before the current DSP?

A. Under the Third Joint DSP, the Companies operated a Stratified Procurement Plan, under which they utilized a portfolio of energy products from multiple suppliers to include a mixed spot market, fixed block and other energy supply providers. All costs associated with the Stratified Procurement Plan were recovered through one (1) GSSR.

Q. What changes were made in the Fourth, Fifth and Sixth Joint DSPs?

A. The Companies continued to recover DSP costs primarily through the GSSR, but several adjustments were made to the GSSR.

First, the Companies bifurcated the single existing GSSR into two (2) separate charges to reflect the fact that Residential and Small C&I customers would pay a fixed energy rate and Large C&I customers would pay variable Hourly Priced Service ("HPS") rates.

Second, the quarterly pricing and reconciliation periods were modified to accommodate new procurement plan, where wholesale suppliers adjust the fixed-rate energy component every 6 months. Importantly, these changes collectively operated

to simplify the GSSRs, from both a Company administrative perspective and from a customer perspective. Because all costs except energy, Capacity, Network Integrated Transmission Service ("NITS"), Regional Transmission Expansion Plan/Transmission Enhancement Costs ("RTEP/TEC") and the Companies' administrative costs and working capital are now included in the fixed Supplier Adder, the rate projection and reconciliation process has been simplified and become more transparent. RTEP/TEC costs were removed from the Supplier Adder during a proceeding to amend the Fourth Joint DSP.

Third, the Companies revised the filing process as part of the Sixth Joint DSP. Specifically, the Companies reduced the period for consideration of interim adjustments to the GSSRs from ten (10) to five (5) days.

Fourth, the Companies amended the Sixth Joint DSP in 2022 to explicitly reflect distribution losses in the calculation of the GSSR-1 and GSSR-2. Those losses are updated every year on June 1st based on the historic losses experienced on the two systems.

Q. Are the Companies proposing any changes to the current GSSR structure?

A. No. The Companies are not proposing to change the structure.

Q. Please explain the pricing components of the GSSR-1?

A. The GSSR-1 consists of: (1) projected Purchased Power Costs (the fixed energy rate (adjusted for distribution losses) + the Supplier Adder + (Projected NITS + Projected RTEP/TEC + Projected Capacity) Costs for the GSSR-1 class + Company Administrative Costs); plus or minus (2) the Reconciliation Period E-factor; divided by (3) projected metered sales to GSSR-1 default service customers; times (4) a GRT

gross-up. This rate is adjusted every 6 months, although the Supplier Adder would remain fixed throughout the 3-year DSP period. As discussed by Mr. Farnsworth, the fixed energy rate is based on the PJM West Hub on-peak monthly forward pricing as measured on predetermined Trigger Dates. The GSSR-1 cost components are reflected in the existing Citizens' and Wellsboro tariffs. No changes to the GSSR-1 tariffs are being proposed in the Sixth Joint DSP.

Q. What is the fixed energy rate?

A. For the GSSR-1, the fixed energy rate is divided into two (2) portions. One-half (1/2) is the mathematical average of monthly on-peak per MWh strip pricing for the projected MWh to be delivered to the wholesale meter for the respective Company's Aggregate Bus during a twelve-month (12-month) pricing period. The other half is calculated identically but six (6) months later. Every six (6) months, one-half (1/2) of the GSSR-1 fixed energy rater is re-calculated on a twelve-month (12-month) pricing period.

Q. How are the Supplier Adder costs determined?

A. The Supplier Adder is a per-kWh rate fixed by the wholesale supplier for the duration of the four-year (4-year) contract. Aside from energy costs, NITS, RTEP/TEC, Capacity, and Company Administrative Costs, the Supplier Adder covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, AEPS Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and

deviations between the forward pricing and actual experienced costs. A single Supplier Adder rate will apply to each Company's total wholesale default service load, regardless of customer class, but, as explained in more detail by Mr. Johnson, the rate may differ between the two Companies.

Q. How do the Companies project transmission costs?

A. The transmission costs for the GSSR-1 are projected by multiplying each Company's Transmission Obligation for the projected default services load by the Federal Energy Regulatory Commission ("FERC")-approved transmission rate applicable to the PPL or Penelec Zone. A similar process occurs for RTEP/TEC.

Q. How do the Companies project the costs for capacity charges?

A. Each Company pays for capacity daily, as determined by PJM. Each Company's costs are based on: (1) its PJM assigned Capacity Obligation for the default service load; and (2) the Net Load Price for its Locational Deliverability Area as determined in the PJM Reliability Pricing Model ("RPM") auctions. Capacity also includes the Capacity Performance Costs (or credits). To project the costs for each six-month (6-month) pricing period, we multiply the anticipated Capacity Obligation for each Company's default service customers on the GSSR-1, by the Net Load Price (stated on a $/MW-day basis) and then by the number of days in the pricing period.

Q. What types of costs are included in the "Company Administrative Costs" for recovery through the GSSR?

A The Company's Administrative Costs includes all costs for administration of the DSP, such as education, regulatory, litigation, tariff filings, working capital and information system costs, legal, regulatory and consulting fees, as well as PJM charges and

membership fees, as may be incurred on an ongoing basis for various supply-related purposes. For example, the Companies incur expenses to prepare and submit the periodic tariff supplements and other filings to implement the GSSR changes and other reconciliations. The Companies will also pay fees to use the Intercontinental Exchange ("ICE") for monitoring the PJM forward market prices that are used in the GSSR-1. In addition, each Company will include in a cash working capital assumption based on the one-eighth (1/8) rule applied to projected generation costs and credit costs associated with the default service auction. The GSSRs will also reflect a four-year (4-year) amortization of the costs for the developing and litigating this case and conducting each Company's Request for Proposals in 2025.

Q. How do the pricing components of the GSSR-2 differ from the GSSR-1?

A. The basic cost structure is similar, but the GSSR-2 was designed to recover actual costs rather than projections. First, the GSSR-2 includes a different energy component since Large C&I customers with a registered peak demand above 400 kW take HPS, based on the real-time PJM LMP for the PJM West Hub. Also, while the GSSR-1 assigns a fixed per-kWh charge for NITS, Capacity, and RTEP/TEC based on projected kWh load, the GSSR-2 passes through NITS, Capacity, and RTEP/TEC costs on a per-kW basis, reflecting the individual PJM allocations for each customer. Accordingly, the GSSR-2 costs are made up of: (1) the real-time HPS rate as calculated by PJM for the PJM West Hub (adjusted for distribution losses); **plus** (2) the per-kWh Supplier Adder; **plus** (3) the per-kWh Company Administrative Costs; **plus** (4) a per-kW Transmission, RTEP/TEC and Capacity charge based on the applicable PJM rates and each customer's PJM NITS and Capacity obligations; **times**

(5) a GRT gross-up. The kWh charges will be billed using the customer's metered hourly usage.

Q. How do the Companies propose to adjust and reconcile the GSSR-1 rates?

A. As the wholesale suppliers serving the Companies must adjust the Residential and Small C&I fixed energy rate every 6 months, the Companies implemented corresponding 6-month pricing and reconciliation adjustments to the GSSR-1 retail rates, as outlined below:

Price Period	Reconciliation Period in E-factor of default service rate	Preliminary and Final Filing Dates
June 1-November 30	October 1- March 31	April 16/May 20
December 1-May 31	April 1-September 30	October 16/November 20

Preliminary rates will be filed 45 days prior to the effective date for new rates, subject to the Companies' authority to update preliminary rates up to 10 days prior to the effective date.

Q. Under what circumstances would the Companies update the preliminary rates?

A. Following submission of the preliminary rates, the Companies may become aware of changes to components of the originally submitted calculation. For example, FERC could adjust the PPL or Penelec NITS charges or the Companies could supplement the GSSR-1 reconciliation to reflect additional invoices from PJM. Under such circumstances, the Companies would adjust the preliminary rates to reflect new information.

Q. Are interim adjustments to the GSSR-1 possible?

A. Yes, as under the current GSSR, the Companies reserve the right to file interim adjustments if a substantial over- or undercollection would otherwise occur. The

Companies propose to maintain the effective period for interim changes of five (5) days. The Companies diligently monitor the GSSRs to assess any necessity for interim filings. When we determine that we must submit a change, it is important to implement the revised rate as expeditiously as possible.

Q. Is the Supplier Adder subject to either the 6-month or interim adjustments?

A. No. The uniform Supplier Adder charged to all customers will remain fixed for the 4-year term of the Seventh Joint DSP.

Q. How do the Companies adjust and reconcile the GSSR-2 rates?

A. Currently, the Companies do not reconcile the GSSR-2 revenues and costs. In the most recent GSSR-2 audit, the Commission's Bureau of Audits suggested that the Companies add an E-Factor for the GSSR-2.

Q. Are the Companies proposing to add an E-Factor to the GSSR-2?

A. No. In our discussions with the Bureau of Audits, we requested guidance on how the GSSR-2 E-Factor would operate, including what would occur if all of the GSSR-2 customers purchased supply from competitive suppliers. In that situation, the Companies may be faced with costs that cannot be recovered in a timely manner. Alternatively, we may have a refund that needs to be returned, but no customers on the GSSR-2 to receive that credit. Due to this scenario, we propose to retain the current structure, under which any over-collection or under-collection for the GSSR-2 is reflected in the E-Factor for the GSSR-1.

Q. Have the Companies experienced large undercollections or overcollections for the GSSR-2 during the current DSP?

A. Citizens' and Wellsboro have experienced limited situations where the GSSR-2 class experienced large undercollections or overcollections. There were some larger mismatches during the Fourth DSP when the Companies were first implementing the hourly-priced options. The Companies used Special Billing Adjustments to account for those situations. In addition, with the Commission's approval, the Companies used special billing adjustments to address the about that the GSSR-2 customers owed for the distribution losses as a result of the Petition to Amend the Sixth Joint DSP. During the current DSP, the Companies' other overcollections and undercollections have been minimal. Attached as Exhibits MS-1 and MS-2 are tables showing the overcollections and undercollections by month for both Companies.

Q. How do the Companies bill customers under the GSSRs?

A. The wholesale suppliers issue a monthly invoice based on the deliveries to the wholesale meter at the applicable Company's Aggregate Bus in the prior calendar month, which is paid on the 20th of the month following receipt of energy or on the next business day if the 20th falls on weekend or holiday. The invoice issued by the wholesale suppliers is sufficiently detailed to enable Citizens' or Wellsboro to confirm and reconcile the costs, including separation of the costs between the fixed-price and HPS loads, and confirmation of any retail supplier load. The Companies work with the selected wholesale suppliers and any interested parties to establish the wholesale bill format.

Customer bills are issued monthly in 4 cycles. Citizens' and Wellsboro bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers. When a rate change occurs, all bills rendered on or after the effective date will reflect the new rate.

Q. Do the Companies propose any changes to this method for the Seventh Joint DSP?

A. No.

Q. Do the Companies propose any adjustment to distribution rates?

A. Not at this time.

Q. What review process do the Companies propose for ensuring that the GSSRs recover all costs incurred for the provision of default service?

A. As indicated above, the Companies each file a reconciliation of GSSR-1 revenue recovery 45 days prior to each 6-month pricing period pursuant to Section 1307 of the Public Utility Code. This automatic adjustment accounts for any over- or under-recoveries experienced by the Companies during the course of the previous pricing period, as provided in Section 54.187(b) of the Commission's regulations. The Companies propose to continue this same review process under the Seventh Joint DSP.

Q. What process do the Companies propose for review of the GSSR filings?

A. The Companies propose to continue the current Commission-approved review process, with the Bureau of Audits responsible for confirming the accuracy of cost and sales projections, as well as reconciliations. The Companies' reconciliation

statements are subject to an annual review as required by Section 1307(e) of the Public Utility Code. The GSSRs should be audited on a calendar year basis, through a consolidated process to conserve the Commission's and the Companies' resources.

Q. How are the Companies' credit costs determined and included in the GSSRs?

A. Each Company faces credit exposure to the wholesale suppliers as well as with PJM. Our potential credit arrangements with wholesale suppliers will be negotiated. Because the wholesale suppliers will continue to serve as Load Serving Entities for the default service load, we do not expect to have any significant credit exposure at PJM. As previously indicated, costs of complying with both types of credit arrangements (bilateral and PJM) are projected for each pricing period and recovered through the Companies' Administrative Cost adder.

Q. How do the Companies anticipate recovering the costs associated with AEPS Act compliance?

A. As discussed by Mr. Farnsworth, AEPS compliance costs will continue to be recovered as part of the Supplier Adder.

Q. Do the Companies make any profit or margin on generation service?

A. No. All costs recovered through the GSSR-1 and GSSR-2 are either fully reconcilable and/or a pass-through of actual costs.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

EXHIBITS

OF

MELISSA SULLIVAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.11 F-Factor	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Jun-16	1,041	23,166.63	4,325.92	1,076.65	125.22	4,285.90	32,980.32	210	6,248.42	(56.33)	5,666.18	1,031.61	2,348.36	15,238.24	17,742.08
Jul-16	209	5,266.56	4,186.37	1,041.92	119.43	862.24	11,476.52	290	10,101.60	126.68	5,855.05	1,065.99	339.34	17,488.66	(6,012.14)
Aug-16	275	8,646.87	4,325.92	1,076.65	123.90	1,133.16	15,306.50	2,216	77,989.54	-	5,855.05	1,065.99	3,984.70	88,895.28	(73,588.78)
Sep-16	2,243	69,031.54	4,325.92	1,076.65	123.95	9,239.34	83,797.40	2,655	91,816.03	-	5,666.18	1,031.61	1,077.72	99,591.54	(15,794.14)
Oct-16	2,440	75,072.68	4,186.39	1,041.92	123.95	10,053.38	90,478.32	230	7,519.63	-	5,855.05	1,065.99	4,360.61	18,801.28	71,677.04
Nov-16	219	6,694.86	4,325.94	1,076.65	123.95	903.70	13,125.10	225	6,429.35	-	5,666.07	1,031.61	659.23	13,786.26	(661.16)
Dec-16	233	6,030.68	4,186.39	1,041.92	123.97	895.85	12,278.81	176	5,918.97	-	5,854.94	1,066.09	-	12,840.00	(561.19)
Jan-17	184	5,753.20	4,325.94	7,957.94	944.25	705.99	19,687.32	184	6,216.16	-	5,854.94	7,838.66	198.78	20,108.54	(421.22)
Feb-17	184	5,869.86	4,325.93	7,957.94	930.86	705.99	19,790.58	170	4,740.32		5,288.34	7,080.12	331.16	17,439.94	2,350.64
Mar-17	171	4,436.57	3,907.29	7,187.82	921.62	658.06	17,111.36	180	6,112.38		5,854.94	7,838.71	504.26	20,310.29	(3,198.93)
	7,199	209,969.45	42,422.01	30,536.06	3,661.10	29,443.61	316,032.23	6,536	223,092.40	70.35	57,416.74	30,116.38	13,804.16	324,500.03	(8,467.80)

Customers

Bucknell June 16 - Mar 17
Giant June 16 - Mar 17

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-17	183	5,879.38	4,325.92	7,957.95	1,020.36	702.30	19,885.91	212	6,548.19	5,666.07	7,585.84	282.27	20,082.37	(196.46)
May-17	210	6,033.06	4,186.19	7,701.25	987.43	805.52	19,713.45	439	15,200.34	5,854.94	7,838.90	587.60	29,481.78	(9,768.33)
Jun-17	467	15,105.43	9,824.38	7,957.95	967.58	2,384.46	36,239.80	225	6,666.12	2,631.27	11,173.35	1,646.31	22,117.05	14,122.75
Jul-17	217	6,095.75	3,623.69	11,343.12	919.23	1,106.54	23,088.33	386	12,681.58	3,245.23	12,307.61	397.84	28,632.26	(5,543.93)
Aug-17	384	11,784.02	4,487.94	12,708.94	1,027.99	1,960.12	31,969.01	608	18,662.16	3,806.57	13,120.22	611.89	36,200.84	(4,231.83)
Sep-17	507	14,093.78	4,597.98	12,329.01	977.86	2,584.80	34,583.43	776	27,112.72	3,683.78	12,696.99	792.56	44,286.05	(9,702.62)
Oct-17	848	27,257.10	4,984.49	13,604.41	1,079.01	4,322.94	51,247.95	605	22,543.84	3,806.80	13,120.22	1,797.07	41,267.93	9,980.02
Nov-17	647	23,220.88	4,855.67	13,179.28	1,045.29	3,300.45	45,601.57	296	9,567.36	3,683.78	12,696.99	1,158.33	27,106.46	18,495.11
Dec-17	305	9,080.27	4,726.81	12,754.13	1,048.06	1,161.02	28,770.29	431	27,180.94	3,806.12	13,120.22	534.20	44,641.48	(15,871.19)
Jan-18	453	28,810.89	4,855.67	3,494.01	255.55	1,342.37	38,758.49	464	39,273.28	3,806.58	3,098.07	488.32	46,666.25	(7,907.76)
Feb-18	394	34,239.36	4,855.67	3,201.40	266.46	1,409.13	43,972.02	310	8,711.97	3,438.19	2,844.12	476.52	15,470.80	28,501.22
Mar-18	309	7,972.56	4,469.16	2,808.99	240.67	1,175.95	16,667.33	405	14,961.96	3,806.57	3,148.85	431.25	22,348.63	(5,681.30)
	4,924	189,572.48	59,793.57	109,040.44	9,835.49	22,255.60	390,497.58	5,157	209,110.46	47,235.90	112,751.38	9,204.16	378,301.90	12,195.68

Customers

Albright Apr 17 - May 18
Bucknell Apr 17 - May 18
Giant Apr 17 - May 18

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-18	436	15,550.86	5,919.62	4,305.30	333.66	1,661.87	27,771.31	416	16,052.31	4,946.79	4,266.19	527.58	25,792.87	1,978.44
May-18	453	16,248.22	6,573.31	4,975.70	385.83	1,726.25	29,909.31	743	31,038.79	5,437.95	4,723.28	884.34	42,084.36	(12,175.05)
Jun-18	796	33,008.31	4,785.59	4,383.08	361.89	1,440.65	43,979.52	1,142	36,016.79	4,554.49	4,354.40	1,074.64	46,000.32	(2,020.80)
Jul-18	1,330	41,667.00	6,272.83	4,241.69	360.53	764.90	53,306.95	873	30,746.03	4,706.31	4,499.54	2,500.03	42,451.91	10,855.04
Aug-18	831	29,047.61	4,785.59	4,383.08	360.53	1,504.26	40,081.07	800	27,844.18	4,706.23	4,499.54	1,177.23	38,227.18	1,853.89
Sep-18	804	27,811.99	4,785.59	2,744.05	278.58	1,454.38	37,074.59	704	26,464.70	4,554.41	4,354.40	1,520.72	36,894.23	180.36
Oct-18	706	26,544.17	4,631.21	4,241.69	278.58	1,278.03	36,973.68	856	30,662.42	4,706.23	4,499.54	1,416.68	41,284.87	(4,311.19)
Nov-18	911	32,392.54	4,785.59	4,383.08	-	1,648.12	43,209.33	434	16,861.74	4,554.41	4,354.40	1,585.28	27,355.83	15,853.50
Dec-18	450	16,740.01	4,631.21	4,241.69		756.39	26,369.30	483	16,005.63	4,706.23	4,499.55	593.41	25,804.82	564.48
Jan-19	453	14,731.13	4,438.27	8,580.04		761.51	28,510.95	525	16,769.52	4,706.23	8,999.09	505.56	30,980.40	(2,469.45)
Feb-19	569	18,272.70	5,132.90	9,064.97	(828.84)	955.13	32,596.86	452	12,980.15	4,250.79	8,128.21	478.59	25,837.74	6,759.12
Mar-19	455	12,856.99	4,322.45	7,968.72	(795.35)	763.80	25,116.61	456	13,666.06	4,706.23	8,999.09	856.21	28,227.59	(3,110.98)
	8,194	284,871.53	61,064.16	63,513.09	735.41	14,715.29	424,899.48	7,884	275,108.32	56,536.30	66,177.23	13,120.27	410,942.12	13,957.36

Customers

Albright	Apr 18 - Mar 19
Bucknell	Apr 18 - Mar 19
Diakon	Apr 18 - Mar 19
Giant	Apr 18 - Mar 19

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-19	472	13,923.94	4,785.59	8,822.50	(790.82)	793.68	27,534.89	384	9,950.84	3,643.53	7,160.57	633.25	21,388.19	6,146.70
May-19	295	7,532.86	3,134.42	6,970.86	(642.56)	496.38	17,491.96	943	24,475.74	3,529.67	6,999.29	521.88	35,526.58	(18,034.62)
Jun-19	572	14,354.55	3,633.44	8,324.86	(647.17)	1,224.66	26,890.34	215	5,006.26	2,579.25	5,591.59	965.48	14,142.58	12,747.76
Jul-19	216	5,055.06	2,840.84	6,522.65	(525.10)	462.21	14,355.66	(39)	(5,684.95)	2,907.52	6,933.57	359.63	4,515.77	9,839.89
Aug-19	374	10,741.94	2,935.53	6,740.07	231.99	801.16	21,450.69	641	15,782.04	2,907.52	6,933.57	497.87	26,121.00	(4,670.31)
Sep-19	601	14,633.82	2,935.53	6,740.07	231.82	1,285.12	25,826.36	352	11,580.79	2,813.73	6,709.91	844.15	21,948.58	3,877.78
Oct-19	300	10,978.99	2,840.84	6,522.64	232.86	642.27	21,217.60	554	15,323.59	2,907.52	6,933.57	795.31	25,959.99	(4,742.39)
Nov-19	598	13,298.62	2,935.53	6,740.07	235.69	1,279.87	24,489.78	224	6,588.67	2,814.06	6,709.91	1,066.95	17,179.59	7,310.19
Dec-19	214	6,218.79	2,840.84	6,522.64	234.24	313.53	16,130.04	195	4,513.03	2,907.52	6,933.57	357.12	14,711.24	1,418.80
Jan-20	185	4,226.79	2,935.53	1,257.46	33.56	271.30	8,724.64	191	4,216.51	2,907.52	1,152.44	195.02	8,471.49	253.15
Feb-20	183	4,009.83	2,935.53	1,257.46	60.35	263.99	8,527.16	179	3,486.22	2,719.94	1,078.09	209.50	7,493.75	1,033.41
Mar-20	172	3,273.39	2,746.15	1,176.34	60.31	247.03	7,503.22	193	3,566.19	2,907.52	1,152.44	225.83	7,851.98	(348.76)
	4,182	108,248.58	37,499.77	67,597.62	(1,284.83)	8,081.20	220,142.34	4,032	98,804.93	35,545.30	64,288.52	6,671.99	205,310.74	14,831.60

Customers

Albright	Apr 19 - Jun 19
Bucknell	Apr 19 - Mar 20
Diakon	Apr 19 - Apr 19
Giant	Apr 18 - Mar 20

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-20	184	3,386.69	2,935.53	1,257.46	60.31	264.73	7,904.72	185	3,275.09	2,813.73	1,115.26	231.70	7,435.78	468.94
May-20	176	3,067.10	2,840.84	1,216.90	60.31	253.40	7,438.55	353	5,681.12	2,907.52	1,152.44	286.59	10,027.67	(2,589.12)
Jun-20	337	5,333.91	1,210.41	1,383.04	60.62	688.38	8,676.36	233	4,601.68	1,238.31	1,232.85	660.84	7,733.68	942.68
Jul-20	225	4,444.57	1,171.37	1,338.43	58.40	458.45	7,471.22	285	7,288.76	1,279.59	1,273.95	363.21	10,205.51	(2,734.29)
Aug-20	271	6,894.10	1,210.41	1,383.04	58.51	553.76	10,099.82	317	7,777.74	1,279.59	1,273.95	337.10	10,668.38	(568.56)
Sep-20	300	7,267.37	1,210.41	1,383.04	58.49	611.50	10,530.81	242	4,652.01	1,238.31	1,232.85	366.24	7,489.41	3,041.40
Oct-20	230	4,389.79	1,171.37	1,338.43	60.30	468.22	7,428.11	399	9,654.16	1,279.59	1,273.95	525.08	12,732.78	(5,304.67)
Nov-20	378	9,072.30	1,210.41	1,383.04	60.23	771.60	12,497.58	197	4,152.54	1,238.31	1,232.85	588.26	7,211.96	5,285.62
Dec-20	177	3,808.23	1,170.29	1,338.43	62.06	269.05	6,648.06	184	4,728.03	1,279.59	1,273.95	297.60	7,579.17	(931.11)
Jan-21	176	4,458.23	1,209.30	2,250.18	184.68	267.82	8,370.21	173	4,490.94	1,279.59	2,554.88	168.05	8,493.46	(123.25)
Feb-21	175	4,425.60	1,209.30	2,261.16	165.16	260.65	8,321.87	170	6,808.41	1,155.76	2,307.63	173.78	10,445.58	(2,123.71)
Mar-21	158	6,370.52	1,092.28	2,042.34	166.89	235.88	9,907.91	187	4,775.55	1,279.59	2,554.88	156.40	8,766.42	1,141.49
	2,787	62,918.41	17,641.92	18,575.49	1,055.96	5,103.44	105,295.22	2,925	67,886.03	18,269.48	18,479.44	4,154.85	108,789.80	(3,494.58)

Customers

Bucknell Apr 20 - Mar 21
Giant Apr 20 - Mar 21

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-21	179	4,507.35	1,209.30	2,261.16	126.98	265.94	8,370.73	192	4,824.20	1,238.31	2,472.46	212.85	8,747.82	(377.09)
May-21	180	4,454.35	1,170.29	2,188.21	126.98	268.08	8,207.91	1,946	55,038.37	1,279.59	2,554.88	303.26	59,176.10	(50,968.19)
Jun-21	1,857	52,187.59	1,971.31	2,886.82	126.98	5,832.73	63,005.43	247	8,493.11	2,054.57	3,215.70	2,166.75	15,930.13	47,075.30
Jul-21	232	7,762.39	1,907.72	2,793.69	125.21	728.63	13,317.64	262	9,574.94	2,123.06	3,322.90	372.20	15,393.10	(2,075.46)
Aug-21	241	8,887.79	1,971.31	2,886.82	125.21	756.97	14,628.10	515	26,615.07	2,123.06	3,322.90	363.19	32,424.22	(17,796.12)
Sep-21	501	25,237.63	1,971.31	2,886.82	125.34	1,572.84	31,793.94	356	20,215.23	2,054.57	3,215.70	242.13	25,727.63	6,066.31
Oct-21	375	20,267.50	1,907.72	2,793.69	125.73	1,177.37	26,272.01	595	35,672.74	2,123.06	3,322.89	728.56	41,847.25	(15,575.24)
Nov-21	518	31,113.28	1,907.72	2,793.69	125.73	1,626.42	37,566.84	182	12,789.02	2,054.58	3,215.70	764.32	18,823.62	18,743.22
Dec-21	179	12,274.64	1,971.31	2,886.82	126.65	460.86	17,720.28	180	7,241.19	2,123.06	3,085.93	237.25	12,687.43	5,032.85
Jan-22	175	6,591.80	1,971.31	4,144.56	178.33	449.28	13,335.28	181	12,673.13	2,123.06	2,964.39	200.42	17,961.00	(4,625.72)
Feb-22	173	12,017.41	1,971.31	4,144.56	172.21	444.72	18,750.21	165	7,885.71	1,917.60	2,677.51	138.67	12,619.49	6,130.72
Mar-22	157	8,266.76	1,780.54	2,677.03	123.67	403.00	13,251.00	183	8,256.72	2,123.05	2,964.39	168.72	13,512.88	(261.88)
	4,767	193,568.49	21,711.15	35,343.87	1,609.02	13,986.84	266,219.37	5,004	209,279.43	23,337.57	36,335.35	5,898.32	274,850.67	(8,631.30)

Customers

Bucknell Apr 21 - Mar 22
Giant Apr 21 - Mar 22

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-22	176	7,847.83	1,971.31	4,144.56	172.95	452.90	14,589.55	375	14,883.26	5,033.70	5,641.91	211.75	25,770.62	(11,181.07)
May-22	334	22,359.17	5,218.05	7,513.36	330.28	857.90	36,278.76	942	74,570.59	5,307.65	5,928.78	419.57	86,226.59	(49,947.83)
Jun-22	926	72,710.71	4,856.89	7,763.81	330.50	2,686.36	88,348.27	583	54,873.73	3,444.26	7,282.69	1,424.03	67,024.71	21,323.56
Jul-22	436	42,632.11	3,151.76	7,328.78	335.95	1,265.69	54,714.29	495	46,214.64	3,559.06	7,525.44	593.27	57,892.41	(3,178.12)
Aug-22	251	23,403.28	1,926.94	4,682.02	207.70	728.46	30,948.40	756	80,402.63	2,078.03	5,097.88	538.14	88,116.68	(57,168.28)
Sep-22	803	86,637.92	3,256.82	7,573.07	336.34	2,330.17	100,134.32	300	21,726.26	3,099.82	7,282.68	909.08	33,017.84	67,116.48
Oct-22	434	34,053.91	3,151.76	7,328.78	347.90	1,257.84	46,140.19	982	73,005.01	3,203.16	7,525.45	839.74	84,573.36	(38,433.17)
Nov-22	867	58,583.96	3,256.82	7,573.07	347.90	2,515.66	72,277.41	394	21,645.53	3,214.64	7,525.44	1,459.98	33,845.59	38,431.82
Dec-22	383	20,871.26	3,380.24	7,803.33	370.90	1,104.33	33,530.06	448	39,913.11	4,695.67	10,681.27	750.24	56,040.29	(22,510.23)
Jan-23	272	32,557.62	3,256.82	3,622.89	102.84	799.99	40,340.16	312	11,528.61	3,639.43	4,685.19	447.50	20,300.73	20,039.43
Feb-23	352	14,230.53	6,092.33	5,262.43	282.53	995.26	26,863.08	329	4,121.60	3,536.10	4,758.02	709.38	13,125.10	13,737.98
Mar-23	407	11,458.31	5,502.74	4,753.17	265.83	1,102.29	23,082.34	390	16,537.10	3,914.73	5,267.81	520.63	26,240.27	(3,157.93)
	5,641	427,346.61	45,022.48	75,349.27	3,431.62	16,096.85	567,246.83	6,306	459,422.07	44,726.25	79,202.56	8,823.31	592,174.19	(24,927.36)

Customers

Playworld	Dec 22 - Dec 22
SKM	Feb 23 - Mar 23
Bucknell	Apr 22 - Mar 23
New Enter	May 22 - Mar 23
Giant	Apr 22 - Mar 23

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-23	331	10,480.44	6,092.33	5,262.43	265.33	895.69	22,996.22	375	11,197.09	3,788.68	5,467.65	477.44	20,930.86	2,065.36
May-23	403	13,274.80	5,505.14	4,853.53	254.78	1,093.35	24,981.60	498	16,703.20	1,481.03	2,473.46	979.11	21,636.80	3,344.80
Jun-23	436	14,659.17	1,300.68	2,106.92	99.32	1,358.72	19,524.81	215	6,323.15	717.06	2,358.34	890.38	10,288.93	9,235.88
Jul-23	205	6,208.80	1,258.72	2,038.96	112.40	639.44	10,258.32	274	9,860.46	740.96	2,436.96	470.51	13,508.89	(3,250.57)
Aug-23	284	10,579.70	1,300.68	2,106.92	102.29	883.16	14,972.75	266	9,077.71	740.96	2,436.96	492.71	12,748.34	2,224.41
Sep-23	267	9,542.07	1,300.68	2,106.92	101.67	830.80	13,882.14	374	16,696.60	717.05	2,358.35	431.99	20,203.99	(6,321.85)
Oct-23	353	16,344.91	1,258.72	2,038.96	101.51	1,100.65	20,844.75	554	21,559.88	740.96	2,436.95	775.69	25,513.48	(4,668.73)
Nov-23	521	20,932.79	1,300.68	2,106.92	101.51	1,623.36	26,065.26	188	7,558.28	717.05	2,358.35	1,067.08	11,700.76	14,364.50
Dec-23	177	7,314.00	1,258.72	2,038.96	101.51	529.12	11,242.31	188	6,110.69	740.96	2,436.95	331.40	9,620.00	1,622.31
Jan-24	181	6,103.81	667.51	6,213.81	402.52	541.84	13,929.49	189	8,314.56	740.96	7,071.38	239.82	16,366.72	(2,437.23)
Feb-24	179	8,164.19	667.51	6,208.15	239.88	532.94	15,812.67	179	4,909.31	693.16	6,615.16	232.23	12,449.86	3,362.81
Mar-24	170	4,937.23	624.44	5,808.21	240.37	508.61	12,118.86	197	5,242.00	740.96	7,071.39	221.79	13,276.14	(1,157.28)
	3,507	128,541.91	22,535.81	42,890.69	2,123.09	10,537.68	206,629.18	3,497	123,552.93	12,559.79	45,521.90	6,610.15	188,244.77	18,384.41

Customers

SKM	Apr 23 - May 23
Bucknell	Apr 23 - Mar 24
New Enter	Apr 23 - May 23
Giant	Apr 23 - Mar 23

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.3 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Jun-16	6,396	77,061.35	20,930.10	5,469.22	3,739.17	28,392.52	135,592.36	2,740	94,996.10	25,613.24	5,016.59	3,542.68	5,887.81	135,056.42	535.94
Jul-16	6,177	57,678.90	15,558.56	3,761.01	2,688.57	20,083.82	99,770.86	2,041	78,676.48	19,781.61	3,711.94	3,651.45	4,563.08	110,384.56	(10,613.70)
Aug-16	7,426	62,871.77	15,558.56	3,761.01	2,686.92	18,332.01	103,210.27	1,929	80,806.06	19,881.85	3,711.94	3,651.45	5,125.78	113,177.08	(9,966.81)
Sep-16	7,093	56,863.62	15,056.67	3,639.69	2,728.49	17,602.91	95,891.38	1,717	66,187.30	19,694.10	3,592.20	3,651.45	3,436.75	96,561.80	(670.42)
Oct-16	5,640	32,165.45	15,558.56	3,761.01	2,728.49	11,280.60	65,494.11	1,140	42,724.04	20,402.65	3,711.94	3,651.45	2,737.46	73,227.54	(7,733.43)
Nov-16	6,146	23,142.20	7,638.67	1,499.24	1,123.90	8,650.99	42,055.00	1,048	35,336.17	19,744.50	3,592.20	3,651.45	3,287.22	65,611.54	(23,556.54)
Dec-16	6,762	23,622.74	10,442.51	2,180.65	408.25	7,182.64	43,836.79	777	30,763.76	20,402.65	3,711.94	3,651.45	1,186.69	59,716.49	(15,879.70)
Jan-17	7,475	22,229.00	10,442.51	2,180.65	408.25	7,182.64	42,443.05	833	32,916.17	10,477.07	2,053.44	1,323.56	992.22	47,762.46	(5,319.41)
Feb-17	7,183	18,876.92	9,431.94	1,969.61	1,409.97	7,791.61	39,480.05	763	25,300.29	9,453.16	1,854.72	1,320.55	1,164.69	39,093.41	386.64
Mar-17	6,216	23,814.56	10,442.51	2,483.44	1,602.08	8,199.17	46,541.76	806	31,413.77	10,477.07	2,053.44	1,316.93	1,798.34	47,059.55	(517.79)
	66,514	398,326.51	131,060.59	30,705.53	19,524.09	134,698.91	714,315.63	13,794	519,120.14	175,927.90	33,010.35	29,412.42	30,180.04	787,650.85	(73,335.22)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-17	768	20,915.02	10,105.65	2,403.43	1,597.76	7,730.40	42,752.26	803	28,664.94	10,139.10	1,987.20	1,316.93	1,602.64	43,710.81	(958.55)
May-17	803	23,626.38	10,442.51	2,483.54	1,610.12	8,138.92	46,301.47	857	32,257.78	10,477.07	2,053.44	1,323.95	1,642.48	47,754.72	(1,453.25)
Jun-17	860	21,714.02	9,802.94	2,403.43	2,027.60	8,637.89	44,585.88	926	31,465.07	9,878.40	1,987.20	1,811.82	1,503.82	46,646.31	(2,060.43)
Jul-17	924	24,842.75	10,129.71	3,716.17	2,200.15	9,047.48	49,936.26	966	36,343.61	10,207.68	3,072.72	1,866.43	1,828.52	53,318.96	(3,382.70)
Aug-17	947	25,233.92	10,129.71	3,716.17	2,266.19	9,452.32	50,798.31	974	33,748.78	10,207.68	3,072.72	1,866.43	1,663.48	50,559.09	239.22
Sep-17	781	21,543.47	9,802.94	3,596.29	2,266.19	7,740.64	44,949.53	780	31,350.83	9,878.40	2,973.60	1,866.43	1,517.76	47,587.02	(2,637.49)
Oct-17	726	21,345.65	10,129.71	3,716.17	2,266.19	7,226.80	44,684.52	721	26,567.22	10,207.68	3,072.72	1,866.43	1,944.48	43,658.53	1,025.99
Nov-17	545	15,638.55	9,802.94	3,596.29	2,266.19	5,344.93	36,648.90	544	20,646.84	9,878.40	2,973.60	1,866.43	1,645.89	37,011.16	(362.26)
Dec-17	429	12,557.89	9,475.67	3,475.70	2,169.96	3,999.79	31,679.01	457	22,226.95	10,207.68	3,072.72	1,872.21	1,614.57	38,994.13	(7,315.12)
Jan-18	457	41,967.54	10,129.71	4,284.31	2,298.21	4,296.32	62,976.09	503	40,448.09	10,207.68	3,542.68	1,880.32	5,926.54	62,005.31	970.78
Feb-18	423	12,285.39	9,756.60	4,111.90	2,442.08	3,971.90	32,567.87	421	13,818.95	9,219.84	3,199.84	1,880.32	1,673.89	29,792.84	2,775.03
Mar-18	429	14,352.23	9,521.51	2,619.21	1,555.57	4,001.02	32,049.54	471	19,883.01	10,207.68	3,542.68	1,880.32	(5,005.81)	30,507.88	1,541.66
	8,092	256,022.81	119,229.60	40,122.61	24,966.21	79,588.41	519,929.64	8,423	337,422.07	120,717.29	34,551.12	21,298.02	17,558.26	531,546.76	(11,617.12)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-18	481	16,465.36	6,325.29	1,556.37	867.85	4,476.56	29,691.43	464	20,208.35	8,942.58	3,171.24	1,868.40	(605.23)	33,585.34	(3,893.91)
May-18	460	16,797.87	5,395.10	1,327.50	711.74	4,286.00	28,518.21	560	25,002.86	5,372.61	2,214.02	1,868.40	1,189.42	35,647.31	(7,129.10)
Jun-18	531	17,341.61	6,271.92	1,373.27	68.23	1,703.50	26,758.53	566	18,027.85	5,842.80	2,142.60	1,095.55	1,307.10	28,415.90	(1,657.37)
Jul-18	555	18,481.78	6,271.92	1,323.87	679.50	2,432.47	29,189.54	624	20,847.65	6,037.56	2,134.35	965.04	4,773.38	34,757.98	(5,568.44)
Aug-18	604	18,691.80	6,480.98	1,368.01	618.50	1,937.04	29,096.33	652	21,892.10	6,037.56	2,134.35	965.04	43.77	31,072.82	(1,976.49)
Sep-18	587	21,363.78	6,480.98	1,368.01	639.10	1,773.95	31,625.82	581	20,633.49	5,842.80	2,065.50	965.04	211.87	29,718.70	1,907.12
Oct-18	487	14,843.17	6,271.92	1,323.87	598.55	1,564.10	24,601.61	525	17,679.90	6,037.56	2,134.35	968.10	(55.93)	26,763.98	(2,162.37)
Nov-18	407	14,152.85	6,062.84	1,279.74	599.77	1,306.64	23,401.84	443	17,023.01	5,842.80	2,065.50	968.10	409.68	26,309.09	(2,907.25)
Dec-18	426	15,020.80	6,480.98	1,368.01	620.47	1,397.48	24,887.74	457	15,389.54	6,037.56	2,134.35	968.10	(146.20)	24,383.35	504.39
Jan-19	421	11,441.03	5,635.91	1,567.47	656.70	1,380.12	20,681.23	446	14,196.41	6,037.56	2,201.00	909.31	(265.65)	23,078.63	(2,397.40)
Feb-19	418	12,460.30	6,269.22	2,726.56	1,247.12	1,371.90	24,075.10	410	11,899.74	5,453.28	1,988.00	909.31	142.19	20,392.52	3,682.58
Mar-19	403	12,287.49	6,269.22	2,726.56	1,126.42	1,323.55	23,733.24	442	13,430.69	6,037.56	2,201.00	909.31	125.62	22,704.18	1,029.06
	5,780	189,347.84	74,216.28	19,309.24	8,433.95	24,953.31	316,260.62	6,170	216,231.59	73,522.23	26,586.26	13,359.70	7,130.02	336,829.80	(20,569.18)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-19	399	10,441.57	5,851.28	2,062.10	880.32	1,310.61	20,545.88	470	12,606.98	5,842.80	2,130.00	909.31	(112.16)	21,376.93	(831.05)
May-19	472	11,421.04	6,269.22	2,209.38	912.77	1,548.93	22,361.34	546	14,417.71	6,037.56	2,201.00	909.31	33.60	23,599.18	(1,237.84)
Jun-19	518	12,331.49	3,318.21	2,283.04	1,051.25	1,550.27	20,534.26	549	13,137.14	3,104.40	2,130.00	980.80	(97.90)	19,254.44	1,279.82
Jul-19	578	15,524.81	3,318.21	2,283.04	1,017.34	1,729.10	23,872.50	618	18,188.29	3,207.88	2,201.00	980.80	954.52	25,532.49	(1,659.99)
Aug-19	562	14,602.60	3,318.21	2,283.04	1,017.34	1,680.23	22,901.42	579	14,656.99	3,207.88	2,201.00	980.80	928.83	21,975.50	925.92
Sep-19	502	13,735.43	3,211.17	2,209.38	1,017.33	1,502.41	21,675.72	517	15,900.82	3,104.40	2,130.00	980.80	787.58	22,903.60	(1,227.88)
Oct-19	458	13,134.06	3,318.21	2,283.04	1,017.34	1,370.53	21,123.18	452	13,249.25	3,207.88	2,201.00	980.91	833.45	20,472.49	650.69
Nov-19	407	11,998.76	3,318.21	2,283.04	1,051.38	1,218.19	19,869.58	403	12,040.50	3,104.40	2,130.00	980.91	1,094.50	19,350.31	519.27
Dec-19	389	9,470.61	3,318.25	2,283.04	1,017.46	1,206.58	17,295.94	407	9,882.15	3,207.88	2,201.00	904.51	679.26	16,874.80	421.14
Jan-20	386	7,711.66	3,318.25	2,933.60	1,076.47	1,199.12	16,239.10	410	9,498.43	3,207.88	2,198.52	782.02	608.15	16,295.00	(55.90)
Feb-20	375	7,754.19	3,211.21	2,838.97	1,113.43	1,165.81	16,083.61	390	7,958.12	3,000.92	2,056.68	781.91	515.63	14,313.26	1,770.35
Mar-20	396	7,497.32	3,318.25	2,933.60	1,076.33	1,230.70	16,056.20	427	8,378.83	3,207.88	2,198.52	781.91	789.96	15,357.10	699.10
	5,442	135,623.54	45,088.68	28,885.27	12,248.76	16,712.48	238,558.73	5,768	149,915.21	43,441.76	25,978.72	10,953.99	7,015.42	237,305.10	1,253.63

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.3 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-20	387	6,667.69	3,211.21	2,838.97	1,076.33	1,201.25	14,995.45	420	7,880.00	3,104.40	2,127.60	781.91	504.79	14,398.70	596.75
May-20	422	7,223.19	3,599.82	2,933.60	1,076.33	1,323.46	16,156.40	483	9,279.24	3,207.88	2,198.52	781.91	888.72	16,356.27	(199.87)
Jun-20	491	9,928.98	3,081.23	2,838.97	1,094.68	1,585.43	18,529.29	537	11,317.32	3,048.00	2,127.60	795.61	962.84	18,251.37	277.92
Jul-20	567	14,234.17	3,183.94	2,933.60	1,094.69	1,831.27	23,277.67	617	17,167.85	3,149.60	2,198.52	795.66	1,154.48	24,466.11	(1,188.44)
Aug-20	548	13,960.27	3,183.94	2,933.60	1,094.75	1,768.29	22,940.85	576	15,403.73	3,149.60	2,198.52	784.25	716.29	22,252.39	688.46
Sep-20	486	10,080.24	3,081.23	2,838.97	1,087.35	1,567.82	18,655.61	499	10,285.37	3,048.00	2,127.60	790.12	620.36	16,871.45	1,784.16
Oct-20	443	9,314.93	3,183.94	2,933.60	1,087.36	1,428.86	17,948.69	451	11,034.29	3,149.60	2,198.52	790.12	627.95	17,800.48	148.21
Nov-20	386	9,066.70	3,081.23	2,838.97	1,087.35	1,246.98	17,321.23	410	9,332.86	3,048.00	2,127.60	790.12	1,121.86	16,420.44	900.79
Dec-20	387	9,633.82	3,180.88	2,933.60	1,087.36	1,101.20	17,936.86	418	11,190.22	3,149.60	2,198.52	790.12	213.50	17,541.96	394.90
Jan-21	389	9,310.11	3,180.88	4,516.68	1,252.61	1,106.32	19,366.60	414	10,899.83	3,149.60	4,628.25	1,243.72	462.26	20,383.66	(1,017.06)
Feb-21	347	14,200.73	2,873.05	4,079.57	1,252.61	986.37	23,392.33	370	15,511.54	2,844.80	3,845.52	1,144.08	468.50	23,814.44	(422.11)
Mar-21	389	10,298.87	3,180.88	4,516.68	1,252.61	1,106.32	20,355.36	431	11,512.57	3,149.60	4,257.54	1,144.08	655.82	20,719.61	(364.25)
	5,244	123,920	38,022	39,137	13,544	16,254	230,876	5,626	140,815	37,199	32,234	10,632	8,397	229,277	1,599

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-21	394	9,492.00	3,078.27	4,370.97	1,252.60	1,118.43	19,312.27	421	11,106.94	3,048.00	4,120.20	1,144.08	657.16	20,076.38	(764.11)
May-21	433	11,690.88	3,180.88	4,516.68	1,249.91	1,230.27	21,868.62	488	14,829.71	3,149.60	4,257.54	1,144.08	1,116.08	24,497.01	(2,628.39)
Jun-21	499	15,512.67	4,822.80	4,370.97	1,192.44	1,691.24	27,590.12	567	19,293.53	4,919.10	4,120.20	1,087.35	601.77	30,021.95	(2,431.83)
Jul-21	543	19,317.57	4,822.80	4,370.97	1,153.98	1,839.84	31,505.16	595	22,602.73	5,083.07	4,257.54	1,087.35	833.58	33,864.27	(2,359.11)
Aug-21	551	22,623.63	4,983.56	4,516.68	1,192.44	1,865.32	35,181.63	612	28,797.59	5,083.07	4,257.54	1,087.35	742.68	39,968.23	(4,786.60)
Sep-21	525	26,060.58	4,822.80	4,370.97	1,192.44	1,779.88	38,226.67	527	26,598.16	4,919.10	4,120.20	1,087.35	671.18	37,395.99	830.68
Oct-21	493	27,343.60	4,983.56	4,516.68	1,192.44	1,671.26	39,707.54	497	31,015.90	5,083.07	4,257.54	1,087.35	656.41	42,100.27	(2,392.73)
Nov-21	376	26,196.04	4,822.80	4,370.97	1,192.44	1,274.38	37,856.63	400	28,344.86	4,919.10	4,120.20	1,087.35	846.86	39,318.37	(1,461.74)
Dec-21	375	18,387.84	4,983.56	4,516.68	1,188.27	1,165.96	30,242.31	406	16,603.91	5,083.07	4,257.54	1,083.42	436.55	27,464.49	2,777.82
Jan-22	380	19,914.97	4,983.56	4,167.56	1,982.18	1,180.02	32,228.29	411	28,854.12	5,083.07	4,214.76	1,965.85	534.17	40,651.97	(8,423.68)
Feb-22	344	20,293.81	4,501.28	3,764.24	1,983.92	1,068.40	31,611.65	361	17,363.80	4,591.16	3,806.88	1,965.82	337.19	28,064.85	3,546.80
Mar-22	373	15,958.61	4,983.56	4,167.56	1,983.89	1,159.40	28,253.02	401	18,274.67	5,083.07	4,214.76	1,965.82	414.54	29,952.86	(1,699.84)
	5,287	232,792.20	54,969.43	52,020.93	16,756.95	17,044.40	373,583.91	5,686	263,685.92	56,044.48	50,004.90	15,793.17	7,848.17	393,376.64	(19,792.73)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-22	361	21,607.36	4,822.80	4,033.12	1,983.92	1,122.17	33,569.37	402	27,298.86	4,919.10	4,078.80	1,965.82	635.45	38,898.03	(5,328.66)
May-22	427	31,826.83	4,983.56	4,167.56	1,983.89	1,324.98	44,286.82	488	37,813.56	5,083.07	4,214.76	1,965.80	565.99	49,643.18	(5,356.36)
Jun-22	1,199	101,787.73	9,011.55	10,940.74	5,195.07	3,857.57	130,792.66	1,208	108,313.67	8,470.50	10,011.30	4,654.43	2,372.37	133,822.27	(3,029.61)
Jul-22	1,212	100,894.43	9,124.21	11,075.18	5,089.26	3,900.36	130,083.44	1,363	121,386.32	8,752.85	10,345.01	4,654.43	1,675.13	146,813.74	(16,730.30)
Aug-22	1,254	122,638.57	9,311.94	11,305.44	5,195.06	4,034.10	152,485.11	1,328	136,049.52	8,752.85	10,345.01	4,654.43	2,160.05	161,961.86	(9,476.75)
Sep-22	1,192	107,984.96	9,011.55	10,940.74	5,195.07	3,837.24	136,969.56	1,508	99,968.23	8,470.50	10,011.30	4,654.43	1,458.62	124,563.08	12,406.48
Oct-22	1,007	59,141.94	9,124.21	11,075.18	5,089.27	3,240.40	87,671.00	1,101	65,133.01	9,023.93	10,493.33	4,721.12	1,696.41	91,067.80	(3,396.80)
Nov-22	1,381	70,515.91	10,256.79	12,452.68	5,913.00	4,443.89	103,582.27	1,508	80,775.24	9,825.90	10,752.90	4,999.23	3,552.94	109,906.21	(6,323.94)
Dec-22	1,465	123,007.44	10,598.69	12,867.77	5,912.98	4,935.75	157,322.63	1,560	194,272.89	10,153.43	11,111.33	4,999.23	2,522.63	223,059.51	(65,736.88)
Jan-23	1,237	125,928.05	9,086.63	7,135.16	2,769.08	4,319.37	149,238.29	1,136	44,033.71	7,544.39	7,220.93	2,751.50	2,556.77	64,107.30	85,130.99
Feb-23	774	24,545.86	6,090.73	6,238.29	2,671.65	2,703.84	42,250.37	829	23,276.17	5,692.12	6,393.24	2,676.69	1,101.17	39,139.39	3,110.98
Mar-23	824	27,202.81	6,701.80	6,848.50	2,657.96	2,876.19	46,287.26	889	26,892.08	6,301.99	7,078.23	2,676.69	1,926.48	44,875.47	1,411.79
	12,333	917,081.89	98,124.46	109,080.36	49,656.21	40,595.86	1,214,538.78	13,320	965,213.26	92,990.63	102,056.14	45,373.80	22,224.01	1,227,857.84	(13,319.06)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-23	811	24,322.42	6,525.78	6,683.89	2,671.78	2,832.19	43,036.06	868	26,589.92	6,098.70	6,849.90	2,677.87	1,399.03	43,615.42	(579.36)
May-23	865	32,488.04	6,743.32	6,906.69	2,671.80	3,021.41	51,831.26	963	31,583.99	6,301.99	7,078.23	2,677.87	1,800.50	49,442.58	2,388.68
Jun-23	883	26,078.24	3,338.60	6,683.89	2,641.45	3,505.28	42,247.46	992	29,585.89	3,915.00	6,849.90	2,646.80	1,690.78	44,688.37	(2,440.91)
Jul-23	955	38,561.03	3,227.31	6,461.08	2,471.06	3,792.86	54,513.34	1,107	42,881.36	4,045.50	7,078.23	2,646.80	1,885.20	58,537.09	(4,023.75)
Aug-23	1,043	45,000.25	3,449.89	6,906.69	2,641.47	4,142.64	62,140.94	1,113	36,727.10	4,045.50	7,078.23	2,646.80	1,582.30	52,079.93	10,061.01
Sep-23	932	43,568.50	3,338.60	6,683.89	2,641.45	3,699.91	59,932.35	959	35,562.42	3,915.00	6,849.90	2,646.80	1,251.99	50,226.11	9,706.24
Oct-23	899	40,561.36	3,449.89	6,906.69	2,641.47	3,569.95	57,129.36	919	36,925.02	4,045.50	7,078.23	2,646.80	1,687.90	52,383.45	4,745.91
Nov-23	755	35,538.06	3,338.60	6,683.89	2,641.45	2,996.87	51,198.87	755	31,254.00	3,915.00	6,849.90	2,646.80	2,308.85	46,974.55	4,224.32
Dec-23	722	34,442.25	3,393.66	6,813.11	2,605.69	2,725.37	49,980.08	770	26,921.52	4,045.50	7,078.23	2,598.71	1,037.79	41,681.75	8,298.33
Jan-24	688	35,018.60	3,394.84	11,437.62	1,107.07	2,595.08	53,553.21	1,286	58,855.33	4,045.50	17,374.26	5,149.73	995.92	86,420.74	(32,867.53)
Feb-24	772	31,349.63	3,338.60	11,243.06	3,638.08	2,914.36	52,483.73	1,283	36,031.81	3,784.50	16,253.34	5,151.29	977.59	62,198.53	(9,714.80)
Mar-24	785	26,138.85	3,393.66	11,423.26	3,457.90	2,961.35	47,375.02	1,278	33,333.17	4,045.50	17,374.26	4,769.19	876.51	60,398.63	(13,023.61)
	10,110	413,067.23	46,932.75	94,833.76	31,830.67	38,757.27	625,421.68	12,293	426,251.53	52,203.19	113,792.61	38,905.46	17,494.36	648,647.15	(23,225.47)

Appendix D

APPENDIX D
COMPLIANCE WITH REGULATIONS AND POLICY STATEMENT

Regulation	Joint Default Service Plan	Waiver Needed
§54.183: The DSP shall be the incumbent EDC in each service territory, except as provided under subsection (b).	Citizens' and Wellsboro retain DSP function.	No
§54.184(a): The DSP shall be responsible for the reliable provision of default service to all retail customers who are not receiving generation services from an alternative EGS or whose EGS has failed to deliver electric energy.	Citizens' and Wellsboro will continue to hold this responsibility.	No
§54.184(b): The DSP shall comply with the Public Utility Code to the extent those obligations are not modified by the regulations or waived.	Citizens' and Wellsboro hold this responsibility, subject to confirmation of the waivers that the PUC deems necessary to accommodate the Joint Default Service Plan set forth in this filing.	No
§54.184(c): The DSP shall provide electric generation supply service pursuant to a Commission-approved competitive procurement process including Auctions, Requests for proposals, or Bilateral agreements.	The Joint Default Service Plan requests Commission approval of a procurement process including requests for proposals.	No
§54.184(d): The DSP shall continue the universal service and energy conservation programs in effect in the EDC's territory.	The Joint Default Service Plan makes no changes to the universal service and energy conservation programs available in the Citizens' or Wellsboro territories.	No

APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.185(a): The DSP shall file a default service plan with the Commission no later than 12 months prior to the conclusion of the currently effective default service Plan, unless the Commission authorizes another filing date. Thereafter, the DSP shall file its programs consistent with a schedule identified by the Commission.	The Companies' current default service Plans are set to expire on May 31, 2025; the Companies submit the instant filing 12 months in advance of that date.	No
§54.185(c): Default service Plans must comply with the Commission's regulations applicable to documentary filings. The DSP shall serve the default service plan on the OCA, OSBA, I&E[1], EGSs registered in its service territory, and the RTO in whose control area the DSP is operating. Copies shall be provided upon request to other EGSs and shall be available on the DSP's website.	The Joint Default Service Plan adheres to the Commission's filing requirements. The Plan has been served as required on OCA, OSBA, I&E, PJM Interconnection, L.L.C, and the EGSs that are currently serving customers in the Companies' service territories. The Companies also request for the Commission to provide notice of the filing to the listserv for the CHARGE group. The Plan will be posted on the Citizens' and Wellsboro websites.	No
§54.185(e)(1): The default service plan shall include a Procurement Plan identifying the DSP's electric generation supply acquisition strategy for the period of service, including the means of satisfying the minimum portfolio requirements of the AEPS Act.	The Joint Default Service Plan proposes to conduct a competitive bid process and enter into Load Following Full Requirements contracts with wholesale suppliers for electric generation supply. Under the contracts, the wholesale suppliers will be assigned responsibility for satisfying the minimum portfolio requirements of the AEPS Act.	No

[1] In recognition of the replacement of the former Office of Trial Staff with the current Bureau of Investigation and Enforcement, all references in the Commission's regulations to "OTS" have been replaced with "I&E." for purposes of this Appendix D.

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APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.185(e)(2): The default service plan shall include an implementation plan identifying the schedules and technical requirements of competitive bid solicitation and spot market energy purchases.	The schedules for the competitive bid solicitations are included in the RFP that is attached to the Joint Default Service Plan.	No
§54.185(e)(3): The default service plan shall include a rate design plan recovering all reasonable costs of default service, including a schedule of rates, rules, and conditions of default service in the form of proposed revisions to its tariff.	The Joint Default Service Plan includes the proposed Rate Design Plan. There are no proposed changes to the tariff sheets.	No
§54.185(e)(4): The default service plan shall include documentation that the plan is consistent with PJM's legal and technical requirements pertaining to the generation, sale and transmission of electricity.	As confirmed by the Joint Default Service Plan, Citizens' and Wellsboro are PJM members and will coordinate with PJM to ensure that all technical and credit requirements continue to be met. The Companies will also evaluate the PJM compliance issues in their evaluation of entities that submit bids to be the wholesale supplier(s). The end date for the Joint Default Service Plan (i.e., May 31, 2029) was selected to comply with the PJM planning year.	No
§54.185(e)(5): The default service plan shall include contingency plans to ensure the reliable provision of default service when a wholesale generation supplier fails to meet its contractual obligations.	The contingency plan is set forth in Section II.E.2 of the Joint Default Service Plan. In the event of a wholesale supplier default, the Companies anticipate relying on PJM spot market purchases until a replacement supplier is found. If the Companies' RFP fails to attract qualified bids, the Companies anticipate relying on PJM spot market purchases; the RFP will be reissued to obtain qualified bids.	No

APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.185(e)(6): The default service plan shall include copies of agreements or forms to be used in the procurement of electric generation supply for default service customers; including all documents used as part of the implementation plan, including supplier master agreements, RFP documents, credit documents, and confidentiality agreements. When applicable, the DSP shall use standardized forms and agreements that have been approved by the Commission.	The Joint Default Service Plan includes the RFP and the Supplier Master Agreement. The Supplier Master Agreement is based on the Standardized Agreement that was developed by the working group.	No
§54.185(e)(7): The default service plan shall include a schedule identifying generation contracts of greater than 2 years in effect between the DSP, when it is the incumbent EDC, and retail customers in that service territory. The schedule should identify the load size and end date of the contracts.	None.	No
§54.185(f): After notice and hearing, the Commission may require some DSPs to file joint default service plans. In the absence of this direction, DSPs may file joint default service plans.	Consistent with this provision, Citizens' and Wellsboro elected to once again file a joint plan. The Joint Default Service Plan is consistent with Section 54.186, as modified by the requested waivers.	No

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APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.185(g): DSPs shall include requests for waivers from provisions of this chapter in the default service plan filings. The Commission will grant waivers to the extent necessary to reduce the regulatory, financial or technical burden on DSPs with fewer than 50,000, or to the extent that is otherwise in the public interest.	Citizens' and Wellsboro have requested various waivers as necessary to reduce the regulatory, financial or technical burden on the Companies as small DSPs and to the extent otherwise in the public interest.	N/A
§54.186(a): DSPs shall acquire electric generation supply at the least cost to customers over time for default service customers in a manner consistent with procurement and implementation plans approved by the Commission.	The Companies have proposed a Joint Default Service Plan incorporates a combination of purchases at least cost to customers over time.	No
§54.186(b)(1): A default service plan must be designed to procure electric power through a prudent mix of the following (1) Spot market purchases, (2) Short-term contracts, (3) Long-term contracts.	The Companies designed Joint Default Service Plan, including the competitive bid process and procurement plan to procure electric power through a prudent mix of long-term contracts, short-term contracts and real-time hourly priced service.	No
§54.186(b)(2): A prudent mix of contracts shall be designed to ensure: (1) Adequate and reliable service, (2) The least cost to customers, (3) Compliance with subsection §54.186(b)(2).	The Companies' Procurement Plan was designed to provide adequate and reliable service and secure generation supply at the least cost to customers over time consistent with this section of the Commission's regulations.	No
§54.186(b)(3): DSPs with loads of 50 MW or less shall evaluate the costs and benefits of joining with other DSPs or affiliates in contracting for electric supply.	Citizens' and Wellsboro elected to file a Joint Default Service Plan.	No

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Regulation	Joint Default Service Plan	Waiver Needed
§54.186(b)(5): Electric generation supply shall be acquired by competitive bid solicitation processes, spot market energy purchases, short and long-term contracts, auctions, bilateral contracts or a combination of them.	The Companies have proposed the use of a competitive bid process that uses a combination of long-term, short-term and spot market pricing. The Procurement Plan provides additional detail regarding this aspect of the Commission's regulations.	No
§54.186(b)(6): A DSP's affiliate may participate in any competitive bid solicitation process subject to various conditions.	Citizens' and Wellsboro do not have affiliates that can participate in the energy procurement process.	No
§54.186(c)(1): A DSP's implementation plan will include a competitive bid solicitation process that provides, to the extent possible and at the appropriate time, the bidding schedule, definitions and descriptions of products, bid price formats, time period for supply, bid instructions and format, price-determinative bid evaluation criteria, and current load data.	The RFP and Supplier Master Agreement attached to the Joint Default Service Plan describe the Companies' competitive bid process, including the bidding schedule, definitions and descriptions of products, bid price formats, time period for supply, bid instructions and format, and price determinative bid evaluation criteria.	No
§54.186(c)(2): The default service implementation plan shall include fair and non-discriminatory bidder qualification requirements, including financial and operational qualifications, or other reasonable assurances of a supplier's ability to perform.	The RFP attached to the Joint Default Service Plan includes fair and non-discriminatory bidder qualification requirements.	No
§54.186(c)(3): A competitive bid solicitation process used as part of the implementation plan shall be subject to monitoring by the Commission or an independent third party evaluator.	The Companies propose to submit the bid report to the Commission for approval to enable the Commission to monitor the solicitation process.	No

APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.186(c)(4): The DSP or third party evaluator shall review and select winning bids procured through a competitive bid solicitation process in a non-discriminatory manner based on the price determinative bid evaluation criteria.	Unless credit or fitness concerns exist, qualifying bids are awarded based on the Supplier Adder price.	No
§54.187(b): The costs incurred for providing default service shall be recovered on a full and current basis through a reconcilable adjustment clause under 66 Pa. C.S. § 1307.	Citizens' and Wellsboro have previously established the GSSR-1 and GSSR-2 default service rates that recover all reasonable costs associated with bidding, contracting, generation, capacity, transmission, administrative, and AEPS compliance costs, and applicable taxes.	No
§54.187(c): Except for rates available consistent with the automatic adjustment clause, DSPs will offer a single rate option, identified as the PTC, for all default customers	The Companies will offer a single rate option for each customer class: Residential – GSSR-1 (fixed price) Small C&I (below 400 kW) – GSSR-1 (fixed price) Large C&I (above 400 kW) – GSSR-2 (hourly price)	No
§54.187(d): The rates charged for default service may not decline with the increase in KWh of electricity used by a default service customer in a billing period.	The GSSR will contain no "declining blocks."	No

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Regulation	Joint Default Service Plan	Waiver Needed
§54.187(e): The PTC shall be designed to recover all default service costs, including generation, transmission, and other default service cost elements, incurred in serving the average member of a customer class. Costs recovered through the distribution rate that are reallocated to the default service rate cannot be recovered through the distribution rate, and the distribution rate must be decreased to reflect this reallocation.	Citizens' and Wellsboro have established default service rates that include generation, transmission, and other cost elements. These rates will also represent the PTC for Residential/Small C&I in the fixed price GSSR-1 option, and will not include any costs attributable to distribution.	No
§54.187(f): A DSP shall use an automatic energy adjustment clause to recover all reasonable costs incurred through AEPS compliance, subject to audit and annual review.	The GSSR is adjusted on June 1 and December 1, through a Section 1307 mechanism that includes reasonable costs associated with AEPS compliance.	No
§54.187(g): The default service rate schedule shall include rates that correspond to demand side response and demand side management plans when mandated by the Commission.	If mandated by the Commission, the Companies will adjust the GSSR accordingly to reflect these initiatives or seek appropriate waivers.	No
§54.187(h): Default service rates shall be adjusted no more frequently than a quarterly basis for all customer classes with a maximum registered peak load up to 25 KW. The DSP may propose alternative divisions of customers by registered peak load to preserve existing customer classes.	For customers with a maximum registered peak load up to 400 kW (i.e., Residential and Small C&I customers), the Companies will adjust the single default service rate every 6 months.	No

APPENDIX D

Regulation	Joint Default Service Plan	Waiver Needed
§54.187(i): Default service rates shall be adjusted on a quarterly basis, or more frequently, for all customer classes with a maximum registered peak load of 25 KW to 500KW. The DSP may propose alternative divisions of customers by registered peak load to preserve existing customer classes.	For customers with a maximum registered peak load up to 400 kW, the Companies will adjust the single default service rate every 6 months. For customers with a maximum registered peak load at or above 400 kW, the Companies will provide real-time hourly priced service.	Yes – As explained in the Companies' Direct Testimony, the 400 kW demarcation is more appropriate in their territories.
§54.187(j): Default service rates shall be adjusted on a monthly basis, or more frequently, for all customer classes with a maximum registered peak load of 500KW or greater. The DSP may propose alternative divisions of customers by registered peak load to preserve existing customer classes.	For customers with a maximum registered peak load of 400 kW or higher, the Companies will provide real-time hourly priced service.	No
§54.187(k): The DSP shall be responsible for acquiring replacement electric generation supply consistent with its contingency plan when a supplier fails to deliver. When necessary to procure electric generation supply before the implementation of a contingency plan, the DSP shall acquire supply at the least cost to customers over time and shall fully recover all reasonable costs associated with this activity that are not otherwise recovered through its contract terms with the default supplier.	The contingency plan is set forth in Section II.E.2 of the Joint Default Service Plan. The Companies anticipate relying on PJM spot market purchases until a replacement supplier is found. If the proposed RFP fails to yield qualified bids, the Companies will rely on PJM spot market purchases until a subsequent and/or successful RFP is conducted.	No

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Regulation	Joint Default Service Plan	Waiver Needed
§54.188(c): Upon entry of the Commission's Final Order, the DSP shall acquire generation supply for the period of service in a manner consistent with the terms of the approved procurement and implementation plans and Commission regulations.	The Companies anticipate approval of the proposed Joint Default Service Plan and will procure all generation supply in accordance with the final Commission-approved implementation and procurement plans.	No
§54.188(e)(1): The DSP shall provide all customers notice of the filing of the default service plan.	The Companies will provide notice of the default service plan filing to all customers via bill inserts.	No
§54.188(e)(2): The DSP shall provide all customers notice of the initial default service rates and terms and conditions of service 60 days before their effective date, or 30 days after bidding has concluded, whichever is sooner, unless another time is approved by the Commission. The DSP will provide written notice to the OCA, OSBA, I&E, and PJM.	Under the Joint Default Service Plan, the GSSR rate changes on June 1 and December 1 of each year. The GSSR reflecting the projected costs for the first month of the next plan (*i.e.*, June 2025), will be filed with the Commission on April 16, 2025, and take effect on June 1, 2025. April 16, 2025, is 45 days prior to implementation of the default service plan. Notice will be provided to the parties.	Yes – The Companies adopted the compressed schedule for the initial rate submission in order to accommodate the RFP schedule and to provide a window of dates after the RFP for the Companies to lock in the initial pricing strips. The process is similar to the schedule used in the Companies' prior DSPs.
§54.188(e)(3): After the initial steps of implementation and procurement are completed, the DSP shall file tariff supplements designed to reflect, for each customer class, the rates to be charged for default service.	The Companies will file tariff supplements reflecting the rates to be charged for default service 45 days prior to the effective date, subject to updates which may be filed 10 days prior to the effective date.	No

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Regulation	Joint Default Service Plan	Waiver Needed
§54.188(f): The DSP shall submit tariff supplements on no more frequently than quarterly basis, and provide written notice to the OCA, OSBA, I&E, and PJM. The tariff supplements shall be posted on the DSP's public internet domain at the time they are filed.	The Companies will submit adjusted tariff supplements in conjunction with the Section 1307 reconciliation filings. The Companies will post these tariff supplements on their respective websites and will provide written notice to OCA, OSBA and I&E.	No
§54.188(g): If a customer chooses an alternative supplier and subsequently desires to return to the local distribution company for generation service, the local distribution company shall treat that customer exactly as it would any new applicant for energy service.	Citizens' and Wellsboro will treat customers switching from alternative suppliers as new applicants for service.	No
§54.188(i): The DSP shall offer residential and small business customers a generation supply service rate that shall change on a no more frequently than–quarterly basis. Default service rates shall be reviewed by the Commission to ensure that the costs of providing service to each customer class are not subsidized by any other class.	The Companies will adjust the energy (generation supply) component of default service rate for Residential customers and Small C&I customers, with a maximum registered peak demand below 400 kW, every 6 months.	No
§54.190(c): A DSP may use an automatic energy adjustment clause to recover reasonable non-alternative energy default service costs, and may collect interest from retail customers on the recoveries of under collection at the legal rate of interest.	The GSSR is adjusted every 6 months, through a Section 1307 mechanism that recovers all reasonable costs. The automatic adjustment reconciles any over- and under-recoveries, and complies with all interest requirements.	No

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Policy Statement	Default Service Plan	Waiver Needed
§69.1801: Scope of the policy statement is to provide guidelines regarding the acquisition of electric generation supply, the recovery of associated costs, and the integration of default service with competitive retail electric markets.	The Joint Default Service Plan effectively provides for the competitive acquisition of generation supply through a competitive bid process, wherein one or more wholesale suppliers provides a combination of fixed and real-time hourly priced products, as well as the recovery of associated costs.	No
§69.1802(a): The goal of the Commission's regulations is to bring competitive market discipline to historically regulated markets through a default service policy that encourages the entry of new retail and wholesale suppliers. A greater diversity of generation suppliers will benefit ratepayers, but the rules are not designed resolve every possible issue related to the acquisition of generation supply, recovery of costs, conditions of service, and the relationship with the competitive market.	The Companies' Joint Default Service Plan was designated to facilitate entry of competitive retail suppliers and wholesale suppliers.	No
§69.1802(b): The Commission is cognizant of the practical limits of regulating complex markets and recognizes the inapplicability of an all-inclusive regulatory approach.	Citizens' and Wellsboro have developed a default service plan that is best suited to their individual service territories. The default service plan effectively balances the interests of the customers with the unique circumstances the Companies face as small DSPs with fewer than 50,000 retail customers.	No

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Policy Statement	Default Service Plan	Waiver Needed
§69.1802(c): The regulations in Chapter 54 serve as a general framework for default service provision. The Commission anticipates that its guidelines will be reevaluated after the expiration of the initial default service plans submitted by DSPs.	The Companies have complied with the Commission's regulations to the extent possible, and have only deviated from these guidelines where necessary to account for the unique circumstances presented by their recognized status as small DSPs.	No
§69.1804: Initial default service plans should be established for a term of 2 to 3 years. The Commission will monitor developments in the wholesale and retail markets and provide further guidance for the duration of subsequent default service plans.	As proposed, the Companies' Joint Default Service Plan will continue for a duration of 4 years and will remain synced with the PJM planning year.	Yes -- The Commission's End State Order requests that EDCs establish 2-year default service plans. The Companies respectfully submit a 4-year default service period as proposed here will reduce administrative costs.
§69.1805: Procurement plans should balance the goals of developing competitive retail supply and include a prudent mix of arrangements to minimize the risk of over-reliance on particular products at a given point in time. DSPs should consider a mix of supply-side and demand-side products of long-term, short-term and spot market purchases with the goal of avoiding excessive long-term contracts. Procurement plans should be tailored to customer groups, but a DSP may propose alternative peak load divisions to preserve current customer classifications	Citizens' and Wellsboro have adopted a Joint Default Service Plan incorporating a competitive bid process requiring winning wholesale suppliers to procure a prudent mix of supply-side products under a 4-year contract with generation supply pricing adjusted every 6 months. Under the contract, the wholesale supplier must provide fixed-price supply for Residential customers and Small C&I customers with a maximum registered peak demand below 400 kW, and real-time hourly priced service for Large C&I customers and Small C&I customers with a maximum registered peak load at or above 400 kW.	No

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Policy Statement	Default Service Plan	Waiver Needed
§69.1806: The DSP shall comply with the AEPS regulations in procuring its electric generation supply, and the default service plan should reflect incurrence of reasonable costs associated with AEPS compliance.	The Joint Default Service Plan will incorporate procurement of alternative energy sources and the recovery of associated costs.	No
§69.1807: The Commission provides general guidelines applicable to any competitive bid processes that may be included as part of DSP procurement plans.	See response to 52 Pa. Code §54.185(e)(2).	No
§69.1808: The PTC in default service plans should recover all generation, transmission, and other related default service costs. These costs should include wholesale energy, capacity, ancillary, ISO administrative, and transmission costs, but should not include congestion or generation costs imbedded in distribution rates.	Citizens' and Wellsboro have included all reasonable costs in a rate referred to as the GSSR that, when adjusted for the State Tax Adjustment Surcharge (STAS) is the PTC. The Companies include congestion as a recoverable cost because they anticipate that the index pricing reflects PJM West Hub; however, congestion is included in the Supplier Adder that is fixed for the term of the wholesale contact. There are no generation costs imbedded in distribution rates.	Yes
§69.1809: Default service rates and PTCs should be adjusted on a regular basis to reflect changes in energy products, ensure recovery of reasonable costs, and to reconcile over- and under-recoveries. The public interest may be served by reconciliation of these costs more frequently than at the regular interval.	The Companies will implement Section 1307 automatic adjustment mechanism every 6 months; however, the Companies do not propose to file interim adjustments based solely on the anticipated deviation exceeding +/- 4% as stated in §69.1809(c).	Yes – The Companies seek the opportunity to submit an interim filing to address substantial deviations in projected versus actual revenues or costs on five (5) days' notice. In addition, the Companies request to be able to make such interim filings any time they determine that circumstances warrant, rather than adhering strictly to the +/- 4% Standard.

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Policy Statement	Default Service Plan	Waiver Needed
§69.1810: Retail rates should reflect the actual incurred costs of energy procurement to encourage conservation, and should not include declining blocks, demand charges, or other similar elements.	The Companies' GSSR will reflect actual incurred costs of providing default service, and will not include any other elements, or declining rate blocks.	No
§69.1811: The Commission provides guidance for neutral rate change mitigation following the expiration of generation rate caps.	The Companies' self-imposed generation rate caps have already expired, and as such, the Commission has explicitly excluded the Companies from this requirement.	No

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Appendix E

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

On May 31, 2024, Citizens' Electric Company of Lewisburg, PA ("Citizens'" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") to make changes to its rates and services. This notice describes the Company's proposal, the PUC's role, and what actions you can take.

In Pennsylvania, electric service is made up of three parts: "Generation" or the production of electricity; "Transmission" or the movement of electricity from where it is generated to the point of distribution; and "Distribution" or the delivery of electricity from transmission lines to your home or business. You can choose the company that generates your electricity. Citizens' is required to provide each customer in its service territory with distribution service and to arrange for generation and transmission service for its customers that do not find a competitive supplier, which is known as default service. Citizens' must obtain the PUC's approval for how it buys the electricity for customers on default service. This does not change the quality, reliability and maintenance of your electric service.

Citizens' Filing

The requested rate and service changes to the Company's default service are necessary in anticipation of the May 31, 2025 expiration of the Company's current default service plan. In this filing, Citizens' is proposing to continue its current process of purchasing power. For Residential customers and Small Commercial customers with a registered peak demand below 400 kW, Citizens' proposes to continue purchasing fixed-price default service supply from a wholesale market supplier. The fixed price will be adjusted semi-annually (every six-months) in order to reflect current market conditions while providing customers with reasonable rate stability. The GSSR changes will occur on June 1 and December 1 of each year. Citizens' can adjust the GSSR rate between those dates, if necessary, to avoid a significant overcollection or undercollection.

Large Commercial & Industrial Customers, and Small Commercial customers with a registered peak demand at or above 400 kW, will receive hourly priced service.

You can examine the material that explains the requested changes and reasons that we filed with the PUC. As required by the Commission's regulations, the material is available at the Company's office located at 1775 Industrial Boulevard, Lewisburg, PA 17837, between the hours of 7:30 A.M. and 4:30 P.M. You can request a copy of the filing by calling us at (570) 524-2231 or on our web site at www.citizenselectric.com.

PUC's Role

The PUC approves rates for public utilities. The PUC will examine the requested rate and service changes.

Actions You Can Take

To challenge our request to make these changes, you can file a formal complaint with the PUC. You can request a formal complaint form by writing the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, or by printing a copy from the PUC's web site at www.puc.state.pa.us. If no formal complaints are filed regarding our request, the Commission may grant all, some or none of the request without holding a hearing before a judge. Hearings may be held among the Company and any participating customers or entities.

For more information, contact Citizens' at (570) 524-2231, or call the PUC at 1-800-782-1110.

Citizens' Electric Company of Lewisburg, PA

Appendix F

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

On May 31, 2024, Wellsboro Electric Company ("Wellsboro" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") to make changes to its rates and services. This notice describes the Company's proposal, the PUC's role, and what actions you can take.

In Pennsylvania, electric service is made up of three parts. "Generation" or the production of electricity. "Transmission" or the movement of electricity from where it is generated to the point of distribution. And "distribution" or the delivery of electricity from transmission lines to your home or business. You can choose the company that generates your electricity. Wellsboro is required to provide each customer in its service territory with distribution service and to arrange for generation and transmission service for its customers that do not find a competitive supplier, which is known as default service. Wellsboro must obtain the PUC's approval for how it buys the electricity for customers on default service. This does not change the quality, reliability and maintenance of your electric service.

Wellsboro's Filing

The requested rate and service changes to the Company's default service are necessary in anticipation of the May 31, 2025 expiration of the Company's current default service plan. In this filing, Wellsboro is proposing to continue its current process of purchasing power from a wholesale supplier through a competitive bid. For Residential customers and Small Commercial customers with a registered peak demand below 400 kW, Wellsboro proposes to continue purchasing fixed-price default service supply from a wholesale market supplier. The Company will continue to change its Generation Supply Service Rate ("GSSR") for fixed price customers on a semi-annual basis. The GSSR changes will occur on June 1 and December 1 of each year. Wellsboro can adjust the GSSR rate between those dates, if necessary, to avoid a significant overcollection or undercollection.

Large Commercial & Industrial Customers, and Small Commercial customers with a registered peak demand at or above 400 kW, will receive hourly priced service.

You can examine the material that explains the requested changes and reasons that we filed with the PUC. As required by the Commission’s regulations, the material is available at the Company's office located at 33 Austin Street, Wellsboro, PA 16901, between the hours of 7:30 A.M. and 4:30 P.M. You can request a copy of the filing by calling us at (570) 724-3516 and it is also available on our web site at www.wellsboroelectric.com.

PUC’s Role

The PUC approves rates for public utilities. The PUC will examine the requested rate and service changes.

Actions You Can Take

To challenge our request to make these changes, you can file a formal complaint with the PUC. You can request a formal complaint form by writing the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, or by printing a copy from the PUC's web site at *www.puc.state.pa.us*. If no formal complaints are filed regarding our request, the Commission may grant all, some or none of the request without holding a hearing before a judge. Hearings may be held among the Company and any participating customers or entities.

For more information, contact Wellsboro at (570) 724-3516, or call the PUC at 1-800-782-1110.

Wellsboro Electric Company

Appendix G

REQUEST FOR PROPOSAL
FULL REQUIREMENTS SUPPLY SERVICE
FOR CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA
AND WELLSBORO ELECTRIC COMPANY

JANUARY XX, 2025

I. INTRODUCTION

Through this Request for Proposals ("RFP"), Citizens' Electric Company of Lewisburg, PA ("Citizens'") and Wellsboro Electric Company ("Wellsboro") (collectively "Companies") seek proposals to provide full requirements wholesale supply necessary to serve their retail Default Service Provider ("DSP") customers. The Companies invite qualified wholesale electric generation suppliers ("Suppliers" or "Supplier") to submit their qualifications and proposals to provide either or both of the Companies with firm electricity supply service (i.e., load-following firm energy including applicable losses, Alternative Energy Portfolio Standards ("AEPS") compliance, and ancillary services) for the period from June 1, 2025 through May 31, 2029, with Network Integrated Transmission Service ("NITS"), Reliability Pricing Model Auction ("Capacity"), and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") costs as a passthrough of PJM charges. All proposals will be evaluated based on the criteria within this RFP to determine which Suppliers' or Supplier's proposal best satisfied Citizens' and Wellsboro's objectives.

II. CITIZENS' BACKGROUND

Citizens' is an investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Pennsylvania Public Utility Commission ("PUC") operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County and West Chillisquaque Township in Northumberland County, Pennsylvania. Citizens' service territory is surrounded by PPL Electric Utilities Corporation ("PPL"). Citizens' owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Citizens' serves approximately 5,945 residential customers and 1,198 commercial and industrial customers. Citizens' currently has a PUC-approved wholesale

supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Citizens' seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Citizens' connects to PPL's system with two supply lines at 69 kV bus terminals at the Citizens' St. Mary's substation. Citizens' has a pricing point at PJM that is designated as the Citizens' Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Citizens' and PJM to ensure that the wholesale supply necessary to serve Citizens' customers is delivered to this point.

Citizens' is a winter-peaking utility. Citizens' historical electrical load for winter peaked at approximately 52 MW in February of 2015. These peak loads include coincident output from a behind the meter, customer owned cogeneration facility (5.5 MW coincident with the 2015 system peak and an all-time peak of 6.7 MW in 2014). Actual delivered peak loads to Citizens' bus were 46.4 MW and 43.4 MW respectively. Excluding energy supplied by EGS's, Citizens' default energy purchases were 117,788 MWh in 2023 and 138,433 MWh in 2022. Based on total energy delivered and peak load delivered, Citizens' current load factor on an annual basis is approximately 48%. Upon execution of a Confidentiality Agreement, Citizens' will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Citizens' website at *www.citizenselectric.com.*

III. WELLSBORO'S BACKGROUND

Wellsboro is an investor-owned EDC under the jurisdiction of the Pennsylvania PUC operating in Wellsboro Borough, Charleston, Delmar and Middlebury Townships in Tioga County, Pennsylvania. Wellsboro's service territory is surrounded by Pennsylvania Electric

Company ("Penelec") and Tri-County Rural Electric Cooperative. Wellsboro owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Wellsboro served 5,155 residential customers and 1,301 commercial and industrial customers. Wellsboro currently has a PUC-approved wholesale supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Wellsboro seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Wellsboro connects to Penelec's system with a single 115 kV line at the Wellsboro substation. Wellsboro has a pricing point at PJM that is designated as the Wellsboro Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Wellsboro, Penelec and PJM to ensure that the wholesale supply necessary to serve Wellsboro's customers is delivered to this point.

Wellsboro's historical electrical load for winter 2023/2024 peaked at approximately 18.6 MW in January of 2024, with a historical peak load for winter 2022/2023 of approximately 19.7 MW in December 2022. Wellsboro's system energy purchases were 97,458 MWh for calendar year 2023 and 101,458 MWh for calendar year 2022. The current load factor on an annual basis is approximately 59.8%. Upon execution of a Confidentiality Agreement, Wellsboro will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Wellsboro's website at *www.wellsboroelectric.com.*

IV. SCOPE OF SERVICES

The Companies are subject to regulation by the Pennsylvania PUC and must provide DSP electricity supply services to customers within their service territories in accordance with PUC regulations. On December 3, 1996, Pennsylvania Governor Thomas Ridge signed the Electricity

Generation Customer Choice in Competition Act ("Competition Act"). The Competition Act provides all retail electric customers with the right to obtain electricity supply from an alternate Electric Generation Supplier ("EGS") rather than their certificated EDC. Despite this direct access right, the Competition Act also established DSP service to be made available to retail customers who have not elected to receive electricity supplies from an EGS. DSP generation service is available to customers who do not choose to obtain generation supply from an EGS, who cannot find an EGS, whose chosen EGS fails to provide service, or who have purchased supply from an EGS and returned to DSP service. The Companies have retained the obligation to provide DSP service to customers within their service territories and anticipate remaining as the DSP through the duration of any contracts executed as a result of this RFP. The Commission has approved a formula to calculate the Companies' respective retail DSP rates. To date, Citizens' and Wellsboro's customers have expressed some interest in obtaining service from EGSs; however, this interest has been focused on larger commercial accounts.

The wholesale supply service requested in this RFP includes all energy, ancillary services, losses, NITS, Capacity, RTEP, AEPS and other costs necessary to provide a secure, reliable source of energy to the Companies to meet their respective load obligations. The objective of this RFP is to solicit, evaluate, and select one supplier that can provide firm, full requirements, load-following wholesale electricity generation services necessary for each territory; however, if a single supplier is the lowest bidder in both territories, then that single supplier may be awarded both contracts.

The selected Supplier(s) must provide sufficient energy to meet its supply obligations (defined as the Companies' actual DSP load requirement, including all losses)[1] on a 7x24 basis. The Supplier(s) may provide such services from any source, provided that all applicable PJM requirements are met. The Companies will be obligated to take from the supplier(s) the energy required to serve their DSP load and will use the energy exclusively to satisfy their DSP requirements. The Supplier(s) will be responsible for all load variability, including variability due to weather, usage changes, customer migration and customer decisions to obtain electricity supply from an EGS. The Supplier(s) will serve as the Load Serving Entity for the respective Company's(ies') DSP service.

For purposes of this contract, Citizens' and Wellsboro's DSP customers will be split into two classes. Customers in each territory with demands of 400 kW or more will be offered hourly DSP service. Customers in each territory with demands below 400 kW will be offered fixed price DSP service that changes every six months based on the PJM West Hub on-peak forward pricing strip at the trigger date. The Supplier(s) will compete through bids on a Supplier Adder that will be added to the strip price or PJM West Locational Marginal Price ("LMP") (plus the passthrough items and taxes) to produce the retail DSP rates. The Supplier Adder will remain fixed for the four-year term and should reflect all risks and costs except Capacity, NITS and RTEP. Those risks include variability between the actual prices and forward strip price used to develop the retail DSP rate. The same Supplier Adder will apply to the hourly DSP service for customers with demand of 400 kW or larger.

[1] The Companies' actual DSP load requirement will be defined to be net of: (1) any capacity and/or energy that they are required to purchase from any Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act of 1978; (2) the capacity and energy requirements of customers that are served from their co-generation or other behind the meter facilities that operate in parallel with the Companies' system; and (3) the capacity and energy requirements of customers that are served by an EGS. One QF is located within Citizens' service territory. The Companies have various additional customers with existing or planned behind the meter generation. More information will be provided to suppliers who participate in the RFP.

Attached as Appendix A is a "Scope of Obligation" describing the desired wholesale product, the billing and payment provisions and other key terms of the RFP.

V. BID INFORMATION FORMAT

The Companies seek bids for a four-year term with service starting on June 1, 2025.

The Companies request that suppliers submit bids on an all-in cent per kWh Supplier Adder for all load. Citizens' DSP load requirement as measured at the Citizens' Aggregate Bus. Wellsboro's DSP load requirement as measured at the Wellsboro Aggregate Bus. The prices should not include any Gross Receipts Tax or Sales Tax. Preliminary responses are due by March 10, 2025, and should include an indicative bid, any changes to the appendices in the Pennsylvania Universal Supplier Master Agreement, and credit expectations. The Companies propose to each provide a Letter of Credit for each pricing period equal to the difference between (a) 1.5 times the highest anticipated monthly invoice for the pricing period and (b) the unsecured collateral threshold agreed to between the parties based on the respective Company's financial condition. Collateral Thresholds and a Mark-to-Market Mechanism for the wholesale supply obligation should be proposed by each Supplier in its indicative bid. The Companies will engage in contract and credit negotiations with interested bidders between March 10, 2025, and the Final Bid Date of March 24, 2025. Final Bids must be submitted by 10 AM Eastern Prevailing Time on March 24, 2025. A supplier may bid on either territory or both territories (specifying the Supplier Adder for each), however, they must serve both the Fixed and HPS classes for each respective Company. E-mail proposals will be accepted; however, the bidder bears the risk of any failure or errors in delivery whether due to the operation of the bidder's equipment or the Companies' equipment. Facsimile proposals will not be accepted. Bids should be submitted to the following individuals:

Nate Johnson
President & Chief Executive Officer
Citizens' Electric Company
of Lewisburg, PA
1775 Industrial Boulevard
Lewisburg, PA 17837
johnsonn@citizenselectric.com

Byron Farnsworth Jr.
President & Chief Executive Officer
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901
barneyf@ctenterprises.org

Adeolu A. Bakare, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com

Pamela Polacek, Esquire

C&T Enterprises, Inc.

ppolacek@ctenterprises.org

VI. INQUIRIES AND RESPONSE

The Companies will entertain reasonable requests for further information or clarification regarding this RFP. Inquiries or questions regarding Citizens' should be directed to Nate Johnson (570) 522-6141/johnsonn@citizenselectric.com or Adeolu Bakare at (717) 237-5290/ abakare@mcneeslaw.com. Inquiries or questions regarding Wellsboro should be directed to Byron Farnsworth Jr. at (570) 724-6701/barneyf@ctenterprises.org or Adeolu Bakare at (717) 237-5290/abakare@mcneeslaw.com.

VII. RESERVED RIGHTS

The Companies, without qualification and at their sole discretion, reserve the right to take any of the following actions: (1) withdraw and terminate this RFP at any time prior to the execution of the Supplier Master Agreement; (2) reject or accept bids for any reason or to waive any informality or technicality in bids received; (3) modify or waive the process or any of the criteria described in this RFP; (4) reject or refuse to evaluate bids received for failure to meet any criteria described in this RFP; and/or (5) reject or refuse to evaluate any bids that are incomplete, inaccurate, conditional, non-specific or not in conformance with the requirements of this RFP.

The Companies will not be liable or responsible to any bidder or third party for an exercise of their rights under this paragraph.

In addition, the Companies make no representation or warranty as to the accuracy of information provided as part of this RFP including load forecasts. This RFP and any information provided by the Companies as part of this process are provided to assist interested parties in making an evaluation of the proposed transaction but do not purport to contain all of the information that bidders may require. Interested parties should conduct their own independent investigations and analyses to form their opinions as to whether to participate in the proposed transaction. Any discussion of tariff requirements, legislation or regulation is provided for convenience, and no representation is made that this RFP or any information conveyed as part of this process provides a complete explanation of tariff requirements, legislation or regulations.

APPENDIX A

SCOPE OF OBLIGATIONS

REQUEST FOR PROPOSALS

CITIZENS'/WELLSBORO
DEFAULT SERVICE PLAN
FOR JUNE 2025 – MAY 2029

The Default Service Plan approved for Citizens' and Wellsboro by the Public Utility Commission ("PUC") authorizes the Companies to seek a full requirements wholesale supplier for each territory to provide fixed price service to all residential and small commercial/industrial customers (under 400 kW billing demand in every billing period during the prior 12 months) and hourly priced service for large commercial/industrial customers (400 kW or higher billing demand during any billing period for the prior 12 months)

1. The Companies will conduct a joint RFP to separately award each territory to a wholesale supplier. The territories will be awarded to different suppliers unless the same supplier submits the lowest qualifying bid in each territory.
2. Four (4) year arrangement (June 1, 2025 through May 31, 2029)
3. The supplier will provide full requirements, load following service for the respective Company's DSP customers. The supplier will serve as the PJM Load Serving Entity for the default service load. The wholesale service will be priced as follows:
   a. RPM Auction (Capacity) —passthrough of actual monthly costs for the DSP load, without markup
   b. Network Integrated Transmission Service (NITS)—passthrough of actual monthly costs for the DSP load, without markup
   c. Regional Transmission Expansion Plan/Transmission Enhancement Charges (RTEP)—passthrough of actual monthly costs for the DSP load, without markup
   d. Energy (as measured at the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, less kWh for customers supplied by Electric Generation Suppliers ("EGSs") scaled up for losses):
      i. <u>Residential and Small Commercial/Industrial Default Service – Fixed Price:</u>
         a) 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during a 12-month pricing period.
         b) The remaining 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during the 12-month pricing period commencing 6 months after the start of the prior 12-month pricing period.
         c) Both the first and last six-month calculation periods shall use a modified 6-month pricing period for 50% of the energy component, with the remaining 50% priced during a 12-month pricing period. The "bookend" pricing for these 6-month and

12-month pricing periods shall also be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers.

d) The following provides a detailed illustration of the pricing formula described above, including the bookend pricing for the first and last 6-month calculation periods:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

e) The Company shall provide the supplier with notice by 3:00 PM EPT of the Trigger Date.

ii. Large Commercial/Industrial Default Service – Hourly Priced: The energy component of hourly priced service will be the real time hourly PJM Locational Marginal Price ("LMP") for the PJM West Hub.

iii. The supplier and/or Citizens' and Wellsboro (as applicable) will establish procedures to ensure that the supplier can separate the hourly energy deliveries to the Aggregate Bus that are to be priced at the hourly LMP. In addition, procedures will be developed to ensure that the load served by the EGSs is appropriately separated and reconciled for PJM purposes. The Companies have installed EDI.

e. Supplier Adder: A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards

("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. The Supplier Adder may be different for each territory but, will remain fixed for the four (4) year contract term.

4. The supplier for each territory will be assigned any Auction Revenue Right and Financial Transmission Right opportunities for the default service load during the term of the wholesale contract (June 1, 2025 through May 31, 2029). The Company shall have access to the ARR and FTR data for use in subsequent RFPs.
5. In the RFP, the suppliers will compete based on the Supplier Adder bid, with the contract for each territory going to the lowest qualified bidder.
   a. Pre-qualification process to be determined to confirm credit and ability to perform.
   b. Sealed bid RFP will be conducted by Citizens' and Wellsboro, and their attorneys/advisors. The Companies will not employ an outside agency such as NERA for this procurement.
   c. Non-conforming bids may be rejected.
   d. Results will be submitted to the PUC for review and confirmation within 3 business days after the bids are reviewed by the Companies.
   e. The Pennsylvania Universal Supplier Master Agreement developed by the EDC Working Group will be used, with modifications as necessary to reflect the product description and credit terms that are specific to the contemplated transactions.
   f. Bids shall expire at the earlier of the time that Citizens' and Wellsboro notify the supplier that the bid proposal has been rejected or at midnight EPT on the day that the PUC is expected to act.
   g. Schedule:
      i. January __, 2025: RFP released
      ii. Confidentiality Agreement Executed
      iii. Supplier Q&A, Access to Load Data, Credit Review
      iv. March 10, 2025: Preliminary Response (indicative bid, contract changes, credit terms)
      v. March 24, 2025: Supplier Bids Due by 10:00 AM EPT
      vi. March 25, 2025: Confidential Summary of Bid Results Submitted to the Commission's Bureau of Audits and Bureau of Technical Utility Services by Noon, With Recommendation of the Supplier to be Awarded the Contract for Each Territory
      vii. March 27, 2025: PUC issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if no action by PUC, then Recommendations shall be deemed to have been accepted
6. The supplier shall issue a monthly invoice no later than seven calendar (7) days after the prior month deliveries are completed to the Aggregate Bus. The supplier will be paid monthly through ACH, the first Business Day after the 19th day of each calendar month after Supplier has sent the invoice to the Company. If the due date falls on a weekend or holiday, then the due date shall be the next business day. The invoice will be sufficiently detailed to enable Citizens' or Wellsboro to confirm and reconcile the costs, including separation of the costs between the fixed and hourly loads, and confirmation of EGS-supplied load. The parties will work together to establish the bill format.

7. Customer bills will be issued monthly in 4 cycles, consistent with Citizens' and Wellsboro's current billing practices. Citizens' and Wellsboro will bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers.

APPENDIX B

RFP SCHEDULE

Citizens'/Wellsboro Distribute RFP	January __, 2025
Suppliers Return: A. Notice of Intent to Participate B. Confidentiality Agreement(s) C. Requirements of Prequalification Standards	
Citizens'/Wellsboro Issue Bid Packet: A. Load Data B. Bid Form C. Contract	
Preliminary Responses Due Contract Appendix Changes Credit Terms Indicative Bid	March 10, 2025 (3:00 PM)
Final Bids Due	March 24, 2025 (10:00 AM)
Preliminary Notification of Winning Supplier(s)	March 24, 2025 (2:00 PM)
PUC Submission with Confidential Report	March 25, 2025 (by 12:00 PM)
PUC Secretarial Letter Accepting or Rejecting Process	March 27, 2025
Bid Day Requirements: Bids due by 10:00 AM Preliminary Winning Bidders will be notified and must hold bid open until PUC action on March 27, 2025	

Pre-Qualification Standards & Documents

To be eligible to receive a Bid Packet and submit a proposal, interested bidders must submit responses to and evidence of its ability to satisfy the following qualification standards for the duration of the agreement. This information must be submitted to obtain access to the Confidential portion of the website.

1. Executed Notice of Intent to Participate.
2. Executed Confidentiality Agreement(s).
3. Two years of current audited financial statements, most current quarterly reports and quarterly updates thereto.
4. Membership status at PJM.
5. A letter from PJM confirming satisfaction of PJM's creditworthiness standards for all PJM purposes.
6. A letter from PJM confirming that PJM’s Risk Policy Guidelines last updated in May 2024 have been met in full.
7. Current status of a PJM Load Serving Entity or evidence it will become an LSE by the first date of service.
8. Confirmation of being a signatory to the PJM Open Access Transmission Tariff, Reliability Assurance Agreement, Operating Agreement and other applicable PJM agreements appropriate for an LSE.

Appendix H

SUPPLIER MASTER AGREEMENT

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

OR

WELLSBORO ELECTRIC COMPANY

SEVENTH DEFAULT SERVICE PLAN

JUNE 1, 2025 – MAY 31, 2029

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SUPPLIER MASTER AGREEMENT
FOR SEVENTH DEFAULT SERVICE PLAN
JUNE 1, 2025 – MAY 31, 2029

THIS SUPPLIER MASTER AGREEMENT, made and entered into this __ day of March, 2025, by and between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** (the "Company" and "Buyer"), a corporation and a public utility organized and existing under the laws of the Commonwealth of Pennsylvania and **[Winning Bidder]** ("DS Supplier"), the Company and the DS Supplier hereinafter sometimes referred to collectively as the "Parties", or individually as a "Party",

WITNESSETH:

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Pennsylvania Public Utility Commission ("PaPUC" or "Commission") Orders issued pursuant to the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, direct Buyer to supply electric service to Default Service Load within Buyer's Pennsylvania franchise service territory; and

WHEREAS, the PaPUC has found that, for periods further identified in Appendix C it would serve the public interest for the Company to secure Default Service Supply ("DS Supply") through a competitive procurement process ("DS Solicitation") and the PaPUC has approved such a process; and

WHEREAS, the Company has conducted and completed a successful DS Solicitation for the provision of DS Supply, and the DS Supplier was one of the winning bidders in the DS Solicitation; and

WHEREAS, pursuant to the competitive bidding procedures of the DS Solicitation, the Company and the DS Supplier desire to enter into this Agreement setting forth their respective rights and obligations concerning the provision of DS Supply.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1: DEFINITIONS

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

Alternative Energy Credit or "AEC" – Shall have the meaning ascribed thereto in the AEPS Act.

AEPS Act – The Pennsylvania Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8.

Affiliate - means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Allocated AECs – Shall mean the types and amounts of AECs specified on Appendix E.

Alternative Energy Portfolio Standards or "AEPS" – Standards requiring that a certain amount of electric energy sold to retail electric customers in the Commonwealth of Pennsylvania be comprised of electricity generated from alternative energy sources, as measured by AECs, in accordance with the requirements of the AEPS Act and provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2812-14, in effect on the Effective Date including, without limitation, any subsequent increases in Tier I requirements under 66 Pa.C.S. § 2814.

Ancillary Services – Shall have the meaning ascribed thereto in the PJM Agreements.

Applicable Legal Authorities – Those federal and Pennsylvania statutes and administrative rules and regulations that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.

Auction Revenue Rights or "ARR" – The current or any successor congestion management mechanisms as may be employed by PJM (whether set forth in the PJM Agreements or elsewhere) for the purpose of allocating financial congestion hedges or financial transmission auction revenue rights. As currently defined by PJM, ARRs are entitlements allocated annually by PJM which entitle the holder to receive an allocation of the revenues from the annual auction of financial transmission rights conducted by PJM pursuant to the PJM Agreements.

Bankruptcy Code – Those laws of the United States of America related to bankruptcy, codified and enacted as Title 11 of the United States Code, entitled "Bankruptcy" and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

Billing Month – Each calendar month during the term of this Agreement.

Business Day – Any day on which the Company's and PJM's corporate offices are open for business and commercial banks are not authorized or required to close in New York, New York.

Capacity – "Unforced Capacity" as set forth in the PJM Agreements, or any successor, measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

Change in Law - means, in each case to the extent not reasonably foreseeable as of the Effective Date, the enactment, adoption, promulgation, issuance, amendment, modification, revocation or repeal of, or any change in the interpretation of, any applicable law or rule by any governmental agency after the Effective Date.

Charge – Any fee, charge or other amount that is billable by the Company to the DS Supplier under this Agreement.

Commercial Class – Group of Rate Schedules that comprise the Commercial Class for DS Supply and itemized in Appendix C.

Company – **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]**

Costs – With respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

Customer – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff, eligible to receive competitive electricity supply from an EGS or DS, respectively, in accordance with the Applicable Legal Authorities.

Damages – Financial compensation from the Defaulting Party to the Non-Defaulting Party associated with the occurrence of an Event of Default or an Early Termination of this Agreement. This compensation shall be assessed pursuant to Article 5 of this Agreement.

Defaulting Party – A Party to this Agreement that has caused or precipitated an Event of Default or an Early Termination of this Agreement.

Default Service or "DS" – Electric generation service that is provided at retail pursuant to the Applicable Legal Authorities under the Company's retail electric tariffs and under

any other agreements or arrangements between the Company and Customers, to any Customer that is not being served by an EGS.

Default Allocation Assessment – shall have the meaning ascribed to it under the PJM Agreements.

Delivery Period – The delivery period specified in Appendix C.

DS Customer(s) – Retail customers who are provided Default Service pursuant to the terms of this Agreement, the Applicable Legal Authorities and the Company's retail tariffs.

DS Fixed Percentage – The percentage of DS Supply provided at a fixed price, as set forth in Appendix C.

DS Fixed Price – The price in dollars per MWh equal to the index quotation for the applicable Pricing Period as determined on the Trigger Date plus the Supplier Adder, as set forth in Appendix C hereto, as determined pursuant to the DS Solicitation.

DS Load – The aggregate load of DS Customers being provided DS Supply.

DS Solicitation – The competitive bidding processes, procedures and rules employed by the Company to competitively procure DS Supply for purposes of this Agreement.

DS Supplier – An entity that (i) has been selected through the DS Solicitation and has accepted the obligations and associated rights to provide DS Supply to the Company for retail customers in accordance with the Applicable Legal Authorities, (ii) has entered into this Agreement with the Company as a Party, and (iii) is a PJM Member and registered with PJM as a LSE.

DS Supplier Representative – Any officer, director, employee, consultant, contractor, or other agent or representative of the DS Supplier in connection with the DS Supplier's activity under this Agreement. To the extent the DS Supplier is a division or group of a company, the term DS Supplier Representative does not include any person in that company who is not part of the DS Supplier division or group.

DS Supplier Responsibility Share – The fixed percentage share of the Company's DS Load for which the DS Supplier is responsible as set forth in Appendix C.

Default Service Supply or "DS Supply" – All necessary Energy, Capacity, AECs for AEPS Act compliance, Ancillary Services, and transmission services including Network Integration Transmission Service, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, and such other services or products that the DS Supplier may be required, by PJM or any governmental body having jurisdiction, to provide in order to meet the DS Supplier Responsibility Share for serving DS Load under this Agreement and as detailed in Appendix C. For the avoidance of doubt, any reference in this Agreement to any other agreement for DS Supply shall

include any agreement between the Parties for the provision of Energy to serve DS Load, even if such other agreement does not require delivery of additional products (e.g., Capacity).

DS Tariffs – The Company's existing schedules of rates and services provided to retail customers as currently on file with the Commission and on the Company's website at EDC website, as they may be amended from time to time.

Delivery Point – Means the applicable bus of the Company as designated by PJM.

DS Variable Percentage – The percentage of DS Supply provided at a variable price, as set forth in Appendix C hereto**.**

DS Variable Price – The hourly price in dollars per MWh as determined by PJM for the PJM Western Hub plus the Supplier Adder, as set forth in Appendix C hereto.

Early Termination – Termination of this Agreement prior to the end of the term due to the occurrence of an Event of Default as specified in Article 5.2 of this Agreement and the declaration of Early Termination.

Early Termination Date – The date upon which an Early Termination becomes effective as specified in Article 5.2 of this Agreement.

Effective Date - The date specified in Appendix C as the effective date.

Electric Distribution Company or "EDC" – A public utility providing facilities for the transmission and distribution of electricity to retail customers in Pennsylvania.

Electric Generation Supplier or "EGS" – A person or entity that is duly certified by the Commission to offer and provide competitive electric supply to retail customers located in the Commonwealth of Pennsylvania.

Emergency – (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a condition that requires implementation of Emergency Operations Procedures as defined in the PJM Agreements or PJM manuals; or (iv) any other condition or situation that the Company or PJM deems imminently likely to endanger life or property or to affect or impair the Company's electrical system or the electrical system(s) of other(s) to which the Company's electrical system is directly or indirectly connected (a "Connected Entity"). Such a condition or situation may include, but shall not be limited to, potential overloading of the Company's transmission and/or distribution circuits, PJM minimum generation ("light load") conditions, or unusual operating conditions on either the Company's or a Connected Entity's electrical system, or conditions such that the Company is unable to accept Energy from the DS Supplier without

jeopardizing the Company's electrical system or a Connected Entity's electrical system. Other additional emergencies can only be declared by PJM, FERC, or the PaPUC.

Energy – Three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

Event of Default – A Party's breach of obligations under this Agreement as set forth in Article 5 of this Agreement.

FERC – The Federal Energy Regulatory Commission.

Final Monthly Energy Allocation or "FMEA" – A quantity of Energy which, for any Billing Month, is the PMEA adjusted for any billing or metering data received subsequent to the calculation of PMEA of which PJM is notified within 60 days.

Force Majeure - Means an event or circumstance which prevents one Party from performing its obligations under one or more transactions, such as riots or revolutions, demands or embargoes of the United States Government, fire, flood, drought, insurrection, acts of God which are not within the reasonable control of, or the results of the negligence of the affected Party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of DS Supplier's supply; (ii) DS Supplier's ability to sell the DS Supply at a price greater than that received under any Transaction; (iii) curtailment by a utility transmitting DS Supply; (iv) the Company's ability to purchase the DS Supply at a price lower than paid under any Transaction; (v) any change in requirements of any governmental authority; or (vi) labor stoppage or lockout.

Forward Market Price – The price for On-peak Energy Forward Price as determined by averaging concurrent broker quotes obtained by the Company for the Market Price Hub as available.

Gains – With respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Generator Attribute Tracking System or "GATS" - the system owned and operated by PJM Environmental Services, Inc. to provide reporting and tracking services to its subscribers in support of the AEPS Act, or any successor credit registry selected by the PaPUC. (As specified in Appendix E)

Guaranty – A guaranty, suretyship, hypothecation agreement, margins or security agreement or any other document in the form attached to this DS Supplier Master Agreement or other form approved by the Company.

Guarantor – Any party having the authority and agreeing to guarantee the DS Supplier's financial obligations under this Agreement, recognizing that such party shall be obligated to meet the Company's creditworthiness requirements specified in this Agreement for such DS Supplier.

Interest Index – The average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (http://www.federalreserve.gov/releases/h15/update/).

Kilowatt or "kW" – Unit of measurement of useful power equivalent to 1000 watts.

Kilowatt-hour or "kWh" – One kilowatt of electric power used over a period of one hour.

Load Serving Entity or "LSE" – An entity that has been granted the authority or has an obligation pursuant to state or local law, regulation or franchise to sell electricity to retail customers located within the PJM Control Area as that term is defined in the PJM Agreements or in successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement.

Losses – With respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Margin – The amount by which the Total Exposure Amount exceeds the DS Supplier's, or Guarantor's, credit limit as defined in Section 6.4.

Market Price Hub - A liquid pricing point located within PJM's geographic footprint, as specified in Appendix B.

Megawatt or MW – One thousand kilowatts.

Megawatt-hour or MWh – One megawatt of electric power used over a period of one hour.

Merger Event – When a DS Supplier consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity and either (i) the resulting entity fails to assume all of the obligations of such DS Supplier hereunder in the sole discretion of the Company or (ii) the benefits of any credit support provided pursuant to Article 6 of this Agreement fail to extend to the performance by such resulting, surviving or transferee entity of the DS Supplier's obligations hereunder, and the resulting entity or its guarantor fails to meet the creditworthiness requirements of this Agreement in the sole discretion of the Company.

Minimum Transfer Amount - $100,000.

NERC – The North American Electric Reliability Council or its successor.

Network Integration Transmission Service or "NITS" – "Network Integration Transmission Service" under the PJM Agreements in effect as of the date of this Agreement, or its successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement. In the event the PJM Agreements are modified such that "Network Integration Transmission Service" is no longer offered, Network Integration Transmission Service shall mean the type of transmission service offered under the PJM Agreements that is accorded the highest level of priority for scheduling and curtailment purposes.

Non-Defaulting Party - A Party to this Agreement who, at the time an Event of Default occurs, is not itself in default of this Agreement and has not otherwise caused or precipitated an Event of Default or Early Termination of this Agreement.

Off-Peak Energy Forward Price - Means the price for Off-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer available or no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

On-Peak Energy Forward Price – Means the price for On-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

PaPUC or Commission – The Pennsylvania Public Utility Commission or its successor.

PJM – PJM Interconnection L.L.C. or its successor.

PJM Agreements – The PJM OATT, PJM RAA, PJM OA and all other PJM agreements, procedures, manuals and documents applicable to the Transactions covered by or relating to this Agreement.

PJM Control Area – That certain Control Area encompassing electric systems in parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia, as may be modified from time to time, and which is recognized by the North American Electric Reliability Council as the "PJM Control Area".

PJM Member – A member in good standing of PJM that satisfies the requirements to conduct business with PJM.

PJM OA – The PJM Operating Agreement or the successor, superseding or amended version of the PJM Operating Agreement that may take effect from time to time.

PJM OATT – The PJM Open Access Transmission Tariff or the successor, superseding or amended version of the PJM Open Access Transmission Tariff that may take effect from time to time.

PJM OI – The PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM RAA – The PJM Reliability Assurance Agreement or the successor, superseding or amended version of the PJM Reliability Assurance Agreement that may take effect from time to time.

PMEA/FMEA Adjustment Amount – For any Billing Month, the monetary amount due to the DS Supplier or the Company, as the case may be, in order to reconcile any difference between the PMEA used for the purpose of calculating estimated payments made to DS Supplier for a given month and the FMEA used for calculating the final payments due to the DS Supplier for such month as more fully described in Article 9 hereof.

Preliminary Monthly Energy Allocation or "PMEA" – A quantity of Energy which, for any Billing Month, is the preliminary calculation of the DS Supplier's DS Supplier Responsibility Share.

Rate Schedule(s) – Shall mean the specified existing, and modified or successor customer rate schedule(s) in the electric service tariff of the Company filed with the Commission.

Reliability First Corporation or "RFC" – The approved regional NERC entity with responsibility for the Commonwealth of Pennsylvania.

Residential Class – Group of Rate Schedules that comprise the Residential Class for the DS Supply and itemized in Appendix C

Rounding Amount - $100,000

Settlement Amount – With respect to a Non-Defaulting Party, the net amount of the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of Early Termination, as set forth in Section 5.4(a) of this Agreement. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

Statement – A monthly report prepared by the DS Supplier for the Company indicating the amount due to the DS Supplier by the Company as compensation for DS Supply supplied to DS Customers by the DS Supplier during the current Billing Month, in

accordance with DS Supplier's obligations under this Agreement. The Statement will segregate deliveries and passthrough products for the DS Fixed Price and DS Variable Price load.

Supplier Adder – A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Buyer's Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs.

Supply Day – Any calendar day during the term of this Agreement on which the DS Supplier is providing, or is obligated by this Agreement to provide, DS Supply to the Company's DS Customers.

Termination Payment – An amount paid by the Defaulting Party due to Early Termination.

Tier I AEC – Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier I requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier I (Solar) AEC – Shall mean an AEC generated by a solar photovoltaic energy source that will satisfy the Tier I solar photovoltaic requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier II AEC - Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier II requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tranche – A fixed percentage share of the Company's DS Load, as specified in Appendix C.

Transaction – Means a particular agreement by which the Company purchases and the DS Supplier sells DS Supply pursuant to this Agreement, the details of which are more fully set forth in Exhibit 1 – Transaction Confirmation.

Transaction Confirmation – Shall have the meaning ascribed to it in Appendix C and Exhibit 1 of this Agreement.

Trigger Date – The date that Company can request DS Supplier to lock -in a 6-month or 12-month (as applicable) energy strip price for the Fixed Price product.

ARTICLE 2: GENERAL TERMS AND CONDITIONS

2.1 Capacity in Which Company Is Entering into This Agreement

The DS Supplier agrees and acknowledges that the Company is contracting for the provision of DS Supply from such DS Supplier for Customers receiving Default Service on the Company's electric system pursuant to the authorizations provided to the Company. The DS Supplier further agrees and acknowledges that the Company will administer and monitor the DS Supplier's performance in providing DS Supply under this Agreement and that the Company shall be entitled to enforce the DS Supplier's obligations related to the provision of DS Supply. The DS Supplier hereby permanently, expressly and irrevocably waives any claim that Company is not entitled to seek enforcement of this Agreement on behalf of Customers. It is the specific intention of the Parties hereto that Customers and Customer groups are not third-party beneficiaries of this Agreement and that no Customer or Customer group shall seek enforcement of this Agreement against the DS Supplier on their own behalf, either independently or by joining in any legal proceeding brought by the Company.

2.2 Parties' Obligations

(a) Obligations of DS Supplier

The DS Supplier hereby agrees as follows:

(i) DS Supplier shall provide service on a firm and continuous basis such that the supply delivered for the term of the Agreement meets the terms and conditions set forth in Appendix C;

(ii) To provide sufficient quantities of DS Supply on an instantaneous basis at all times and supplied to the Delivery Point to meet the DS Supplier Responsibility Share;

(iii) To procure those services provided by the PJM OI and to perform such functions as may be required by the PJM OI that are necessary for the delivery of DS Supply required hereunder;

(iv) To cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing legitimacy and enforceability of the terms of this Agreement and to fulfill any regulatory reporting requirement associated with the provision of DS Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(v) To become the Load Serving Entity ("LSE") with respect to the provision of DS Supply for the DS Supplier Responsibility Share and to comply with all requirements of a LSE with respect to such DS Supplier Responsibility Share;

(vi) To pay to the Company the PMEA/FMEA Adjustment Amount for any Billing Month in which the PMEA exceeds the FMEA, as more fully described in Article 9 of this Agreement;

(vii) To accept assignment of and to fulfill all obligations of a LSE that are assigned to it by this Agreement;

(viii) To comply in a timely manner with all obligations under this Agreement imposed upon the DS Supplier; and

(ix) To comply with the AEPS requirements of the Company's Default Service Plan, as detailed in Appendix E.

(b) Obligations of the Company

The Company hereby agrees as follows:

(i) To pay to each DS Supplier every month an amount due, resulting from the calculations, as detailed in Article 9 of this Agreement, subject to the adjustments as expressed therein;

(ii) Pay to the DS Supplier the PMEA/FMEA Adjustment Amount for any Billing Month in which the FMEA exceeds the PMEA, as more fully described in Article 9 of this Agreement;

(iii) To coordinate with the DS Supplier to develop protocols to separate the DS Load from EGS load on a daily basis, and to separate the DS Variable Percentage and the DS Fixed Percentage;

(iv) To comply in a timely manner with all obligations under this Agreement imposed upon the Company; and

(v) Accept the delivery of DS Supply necessary to meet the DS Load.

2.3 Congestion and Congestion Management

The DS Supplier is responsible for any congestion costs incurred to meet the DS Supplier Responsibility Share. The Company shall transfer or assign to the DS Supplier the Company's rights to Auction Revenue Rights (ARRs) to which the Company is entitled as an LSE pursuant to the PJM Agreements, including the rights to ARRs, provided that such rights are related to the service being provided to meet the DS Supplier Responsibility Share and such rights are for the Delivery Period. All rights, liabilities and obligations associated with such ARRs will accrue and be assumed by the DS Supplier through the transfer or assignment from the Company to the DS Supplier including the responsibility

and ability of the DS Supplier to request or nominate such ARRs when applicable and feasible. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations will nominate such ARRs for the upcoming PJM planning period and such ARRs will be allocated to the DS Supplier in accordance with the PJM Agreements based upon its DS Supplier Responsibility Share. Upon request, DS Supplier shall make ARR information and any other information available to the Company for use of participants in supply negotiations, request for proposals or other processes to obtain wholesale supply for periods beyond the Term of this Agreement.

2.4 PJM Services

The DS Supplier shall make all necessary arrangements for the delivery of DS Supply through the PJM OI. The DS Supplier shall be responsible for the forecasting and reconciliation of the DS Load. The DS Supplier shall remain responsible to PJM for the performance of its LSE obligations associated with the provision of DS Supply under this Agreement until the effective date of the transfer of such LSE obligations.

The Company shall generate and provide to DS Supplier PJM shortname(s) associated with supplier's unique contract type(s), as necessary. Unique shortname(s) may be generated for each differing contract type. DS Supplier shall complete all required forms and processing to PJM to create shortname(s) within the PJM system.

For the period of time this Agreement is in effect, both the Company and DS Supplier shall have executed the PJM Declaration of Authority, and shall remain in effect during the Term of this Agreement. In the event PJM requires that the Declaration of Authority be amended after execution by the DS Supplier, DS Supplier agrees to execute a revised Declaration of Authority in accordance with PJM requirements.

2.5 PJM Agreement Modifications

(a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.

(b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement, including the DS Supplier's responsibility for changes in PJM products and pricing during the Term.

2.6 PJM Member Default Cost Allocation

In the event PJM imposes a Default Allocation Assessment upon the Company relating to a default during the Term, the Company shall invoice DS Supplier and DS Supplier shall pay an amount equal to the product of (i) DS Supplier Responsibility Share, and (ii) the Default Allocation Assessment, less the amounts of any types of charges allocated to the Company under this Agreement that are used by PJM in calculating such Default Allocation Assessment.

2.7 Other Fines and Penalties

If fees, fines, penalties, or costs are claimed or assessed against the Company by any Applicable Legal Authority or PJM due to noncompliance by the DS Supplier with this Agreement, any other requirements of law, or the PJM Agreements, the DS Supplier shall indemnify and hold the Company harmless against any and all losses, liabilities, damages, and claims suffered or incurred by the Company, including claims for indemnity

or contribution made by third parties against the Company, except to the extent the Company recovers any such losses, liabilities or damages through other provisions of this Agreement.

2.8 Communications and Data Exchange

The DS Supplier and the Company shall supply to each other in a thorough and timely manner all data, materials or other information that is specified in this Agreement, or that may otherwise reasonably be required by DS Supplier or by the Company in connection with the provision of DS Supply by the DS Supplier to DS Customers, if required.

The DS Supplier shall be equipped with the communications capabilities necessary to comply with the communications and data exchange standards that are set by and as may, from time to time, be modified by PJM, and shall exclusively bear the costs of installing, maintaining, testing, and operating all required information technology systems that will enable it to send to and receive data from the Company and PJM and to satisfy its obligations under this Agreement, the PJM Agreements and all other relevant agreements.

2.9 Record Retention

The Company shall retain necessary records for the longer of two years or as required under applicable PaPUC requirements so as to permit DS Supplier to confirm the validity of payments due to DS Supplier hereunder; provided that if a DS Supplier has provided notice pursuant to this Agreement that it disputes the validity of any payments, the Company agrees that it shall retain all records related to such dispute until the dispute is finally resolved.

2.10 Verification

In the event of a good faith dispute regarding any invoice issued or payment due under this Agreement, and provided that a mutually acceptable confidentiality agreement is executed by the Parties, each Party will have the right to verify, at its sole expense, the accuracy of the invoice or the calculation of the payment due by obtaining copies of relevant portions of the books and records of the other Party.

2.11 Forward Contract Merchant

The Parties agree that the Agreement is a "forward contract merchant" within the meaning of the United States Bankruptcy Code, all setoffs, netting and liquidations contemplated hereunder constitute "settlement payments" as set forth in Sections 101 and 741 of the United States Bankruptcy Code and each payment or transfer of Performance Assurance is a "margin payment", "settlement payment" or transfer within the meaning of Section 101 of the United States Bankruptcy Code for the purposes of and as used in such Code.

2.12 Change in Law

If any Change in Law other than a change to the AEPS requirements has the effect of changing the purchase and sale procedure set forth in this Agreement such that (i) the implementation of this Agreement becomes impossible; or (ii) it becomes unlawful for a Party to perform any obligation under this Agreement, the Parties hereto agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement. Parties' exclusive remedy for any change to the AEPS requirements shall be as set forth in Appendix E.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 DS Supplier's Representations and Warranties

The DS Supplier hereby represents, warrants and covenants to the Company on the Effective Date and throughout the term of this Agreement as follows:

(a) It is a corporation, partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania or, if another jurisdiction, under the laws of such jurisdiction and, in such case, is duly registered and authorized to do business in such other jurisdiction;

(b) It has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder, including satisfaction of all applicable FERC requirements;

(c) The execution and delivery of this Agreement and the performance of such DS Supplier's obligations hereunder have been duly authorized by all necessary action on the part of the DS Supplier and do not and will not conflict with, or constitute a breach of or default under, any of the terms, conditions, or provisions of the DS Supplier's certificate of incorporation or bylaws or other constituent instruments or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the DS Supplier is a party or by which the DS Supplier or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the DS Supplier's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the DS Supplier, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity;

(f) There are no actions at law, suits in equity, proceedings or claims pending or, to the DS Supplier's knowledge, threatened against the DS Supplier before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the DS Supplier's performance of its obligations hereunder;

(g) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(h) It is in good standing as an LSE in PJM, is a signatory to all applicable PJM Agreements, and is in compliance with, and will continue to comply with, all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs as defined by the PJM Agreements; provided that the DS Supplier shall not be obligated to become an LSE in PJM until the date it begins providing DS Supply;

(i) It has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by the Company;

(j) It will comply with any and all information and data transfer protocols that may be adopted by the Company or that are set by, and from time to time modified by, the

PaPUC; provided that DS Supplier shall be entitled to exercise its reserved right to challenge any such protocols in the appropriate forum;

(k) It is not Bankrupt or insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt or insolvent;

(l) There are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates, or any legal proceedings before any Governmental Authority, that could materially adversely affect its ability to perform its obligations under this Agreement;

(m) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(n) It is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement; and,

(o) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of DS Supply as required by this Agreement; and it is an "eligible contract participant" as defined in Section 1a(18) of the Commodity Exchange Act.

3.2 Company's Representations and Warranties

The Company hereby represents, warrants and covenants to the DS Supplier as follows:

(a) The Company is an electric utility corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania;

(b) The Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

(c) The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary action on the part of the Company and do not and will not conflict with, constitute a breach of or default under, any of the terms, conditions, or provisions of the Company's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Company is a party or by which the Company or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the Company's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity and the Commission's power under section 508 of the Public Utility Code, 66 Pa.C.S. § 508, to amend or modify the contracts of public utilities;

(f) The ability of the Company to pay any and all amounts due and payable under this Agreement, or upon any potential breach thereof, is not conditioned upon any

governmental or administrative appropriation by the Commission, the Commonwealth of Pennsylvania or any other governmental authority;

(g) There are no actions at law, suits in equity, proceedings or claims pending or, to the Company's knowledge, threatened against the Company before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the Company's performance of its obligations under this Agreement;

(h) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(j) The Company's performance under this Agreement is not contingent upon the performance of Customers or the ability of Customers to pay rates;

(k) The Company shall have sole responsibility for metering and billing with respect to Customers; and,

(l) The Company shall be responsible for electric distribution services and the DS Supplier shall not be responsible for distribution charges.

3.3 Survival of Obligations

All representations and warranties contained in this Article are of a continuing nature and shall be maintained during the term of this Agreement or until all amounts due hereunder, including all obligations, have been paid or performed in full. If a Party learns that any of the representations, warranties or covenants in this Agreement are no longer true during the term of this Agreement, the Party shall immediately notify the other Party via email or facsimile, with a hard copy of the notice delivered by overnight mail.

ARTICLE 4: COMMENCEMENT AND TERMINATION OF AGREEMENT

4.1 Commencement and Termination

The term of this Agreement shall commence upon the Effective Date. Unless otherwise agreed upon by the Company and the DS Supplier, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless the Agreement is terminated prematurely pursuant to the provisions of this Agreement.

4.2 Termination of Right to Supply

The DS Supplier agrees that termination of this Agreement for reason of an Event of Default shall terminate any right of the DS Supplier to provide DS Supply to the DS Customers and nullify any of the entitlements to which the DS Supplier became entitled as a result of being selected as a winning bidder in the DS Solicitation.

4.3 Survival of Obligations

Termination of this Agreement for any reason shall not relieve the Company or the DS Supplier of any obligation accrued or accruing prior to such termination. Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings.

4.4 Mutual Termination

The Company and the DS Supplier may agree at any time during the term of this Agreement to terminate their respective rights and obligations hereunder on such terms and under such conditions that they mutually deem to be appropriate as set forth in a mutual termination agreement acceptable in form and substance to the Company and the DS Supplier ("Mutual Termination Agreement"); provided that Company agrees that it shall

enter into such a Mutual Termination Agreement, which will discharge the terminating DS Supplier (the "Terminating DS Supplier") with respect to liabilities arising after the effective date of the Mutual Termination Agreement if the following conditions precedent are met: (i) the Terminating DS Supplier identifies a replacement DS Supplier willing to assume all obligations of the Terminating DS Supplier hereunder for the remaining term of this Agreement (the "Replacement DS Supplier"); (ii) the Replacement DS Supplier demonstrates its compliance with Article 6 of this Agreement, "Creditworthiness", as of the effective date of the Mutual Termination Agreement, that determination to be made in the sole discretion of Company; (iii) the Replacement DS Supplier executes a counterpart signature page to this Agreement and thereby becomes a Party under this Agreement, effective immediately following the effective date of the Mutual Termination Agreement; and (iv) the Terminating DS Supplier is not, to the belief or knowledge of the Company, subject to an Event of Default as of the effective date of the Mutual Termination Agreement or, if the Company believes that the Terminating DS Supplier may be subject to an Event of Default, either (a) the Company has determined that, as of the effective date of the Mutual Termination Agreement, it has not incurred any Damages as a result of the Event of Default or (b) if the Company has determined, as of the effective date of the Mutual Termination Agreement, that it may have incurred Damages as a result of the Event of Default, that the Replacement DS Supplier has agreed in writing to be responsible for the payment of such Damages or to otherwise cure the Event of Default, in either case to the satisfaction of the Company in its sole discretion.

ARTICLE 5: BREACH AND DEFAULT

5.1 Events of Default

An Event of Default under this Agreement shall occur if a Party (the "Defaulting Party"):

(a) Is the subject of a voluntary bankruptcy, insolvency or similar proceeding;

(b) Makes an assignment for the benefit of its creditors;

(c) Applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;

(d) Is dissolved (other than pursuant to a consolidation, amalgamation or merger) or is the subject of a Merger Event;

(e) Has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets;

(f) Has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) In the case of a DS Supplier, PJM terminates the DS Supplier's ability to make purchases from PJM markets or PJM holds the Company responsible for the provision of DS Supply under this Agreement and PJM does not rescind such termination or assignment of responsibility within seven (7) Business Days;

(h) Fails to comply with the creditworthiness requirements as set forth in Article 6 of this Agreement;

(i) Is declared by PJM to be in default of any provision of any PJM Agreement, which default prevents a Party's performance hereunder if such failure is not remedied within three (3) Business Days after written notice;

(j) Failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;

(k) Violates any federal, state or local code, regulation or statute applicable to the supply of Energy and/or AECs in a manner that materially, and adversely, affects the Party's performance under this Agreement, including by way of failure to continually satisfy all applicable FERC requirements, or, in the case of the DS Supplier, by way of failure to maintain any other governmental approvals required for participation in the Pennsylvania retail Energy market, or defaults on any obligation or other failure to comply with PJM requirements under the PJM Agreements;

(l) Is the subject of an involuntary bankruptcy or similar proceeding;

(m) Subject to Section 5.3 (b) of this Agreement, in the case of the Company, fails to accept DS Supply properly tendered by the DS Supplier under this Agreement;

(n) Failure to perform any material covenant or obligation set forth in this Agreement, if such failure is not remedied within three (3) Business Days after written notice;

(o) Makes a materially incorrect or misleading representation or warranty under this Agreement or under any response to the DS Solicitation; or

(p) Commits an act or makes an omission that constitutes an "Event of Default" under any other agreement(s) for the provision of DS Supply between the Company and

the DS Supplier; and fails to remedy such condition, event or delinquency herein above described such that the other Party (the "Non-Defaulting Party") is completely made whole with respect to such condition, event or delinquency, within three (3) Business Days of receipt of written notice thereof from such Non-Defaulting Party; provided, however, that an Event of Default shall be deemed to have occurred immediately, without any need for the provision of notice thereof by the Non-Defaulting Party and without any right of cure on the part of the Defaulting Party, in the event of the occurrence of a condition, event or delinquency described in subsections "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)" or "(h)" above. Termination of this Agreement by the PaPUC, other regulatory authority or court of law does not constitute an Event of Default under this Agreement.

(q) With respect to the DS Supplier's Guarantor, if any:

(i) any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(ii) Guarantor fails to make, when due, any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within two (2) Business Days after written notice;

(iii) Guarantor's guaranty fails to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party; or

(iv) Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty.

5.2 Rights upon Default

Upon and during the continuation of an Event of Default, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Article 5.7. In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all of the following remedies:

(a) Declare an Early Termination Date of this Agreement with respect to the obligations of the Defaulting Party without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by providing written notice to the Defaulting Party; provided, however, that this Agreement shall immediately terminate automatically and without notice in the case of any Event of Default in which a DS Supplier is the Defaulting Party occurring under subsections (a), (b), (c), (d), (e), (f), (g) or (h) of Article 5.1 of this Agreement and such date of automatic termination shall be deemed the Early Termination Date of this Agreement with respect to such Supplier; and

(b) Receive Damages in accordance with Section 5.3 of this Agreement.

The Non-Defaulting Party shall be entitled to elect or pursue one or more of the above remedies.

5.3 Damages Resulting From an Event of Default

(a) DS Supplier's Failure to Supply DS Supply or Declaration of Early Termination By Company: Damages resulting from (i) the DS Supplier's failure to (A) provide DS Supply in conformance with Article 2.2 hereof or (B) pay PJM for purchases of any products or services from PJM, or other failure to comply with PJM requirements, such that PJM holds the Company responsible for the provision of DS Supply to meet the DS Supplier's DS Supplier Responsibility Share under this Agreement or (ii) the occurrence of any Event of Default attributable to the DS Supplier resulting in Early Termination, shall include all Costs incurred by the Company, acting in a commercially reasonable manner consistent with any statutory or regulatory requirements imposed by the Applicable Legal Authorities, in obtaining replacement services or in obtaining a replacement supplier, which Costs exceed the amounts that would have been payable to the defaulting DS Supplier under this Agreement. Costs incurred by the Company for the purpose of calculating Damages hereunder will consist of:

(i) The cost of DS Supply allocated to the Company by the PJM OI due to the failure of the DS Supplier to meet obligations owing to the PJM OI in connection with its obligations under this Agreement;

(ii) The costs of DS Supply purchased by the Company to replace DS Supply that a DS Supplier was obligated to supply under this Agreement during the term hereof;

(iii) Administrative and legal costs associated with procuring replacement DS Supply; and

(iv) Financial hedging costs incurred by the Company on behalf of DS Customers as a result of having to procure DS Supply not provided by the DS Supplier.

The Parties further recognize and agree that the final calculation of Damages hereunder may not be known for some time since the level of such Damages may be dependent upon the arrangements made by the Company to obtain replacement services or a replacement DS Supplier. The Company and the DS Supplier agree that, until the calculation of Damages under this provision is completed, the amount and payment to the Company of the Settlement Amount on behalf of DS Customers in the event of an Early Termination as set forth in Article 5.4 of this Agreement shall be immediately due and owing as an estimate of all Damages ultimately determined to be due and owing. After Damages have been finally determined under this Article 5.3, the amounts of Damages due and owing will be reconciled with payments already made by the DS Supplier under Section 5.4 of this Agreement.

(b) Failure By Company on Behalf of Customers To Accept DS Supply Tendered By DS Supplier: Damages resulting from the failure of the Company on behalf of Customers to accept DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement shall consist of the positive difference (if any) between (i) the amounts that would have been payable to the DS Supplier hereunder had the Company accepted the DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement and (ii) the amount realized by the DS Supplier in disposing, in a commercially reasonable manner, of the DS Supply not accepted by the Company; provided, however, that the Company shall not be required to accept on behalf of any Customer, quantities of DS Supply utilized by Customers on an instantaneous basis as a function of electrical load, in excess of such Customer's instantaneous consumption of such component of DS Supply;

and further provided that the Company shall not be liable for any Damages if this Agreement is terminated by the PaPUC, other regulatory authority or a court of law.

(c) Damages Resulting From Early Termination Due To An Event of Default Attributable To the Company: Damages resulting from Early Termination due to an Event of Default attributable to the Company shall be as set forth in Section 5.4 of this Agreement. Damages calculated in accordance with said Article 5.4 shall be the exclusive remedy available to the DS Supplier in the event of Early Termination resulting from an Event of Default attributable to the Company.

(d) Damages Resulting from DS Supplier's Failure to Continuously Satisfy it AEPS Obligations: Damages resulting from the DS Supplier's failure to continuously meet and satisfy all or any portion of its obligations under Section 2.2 (a)(viii) of this Agreement shall include, but not be limited to, the amount of all penalties, costs associated with the procurement of additional AECs, etc. including, without limitation, interest and other charges, if any, levied against the Company related to AEPS regulations, due to such DS Supplier's conduct or inaction.

(e) Other Damages: Damages for Events of Default not specified above shall consist of the direct Damages incurred by the Non-Defaulting Party.

(f) Waiver of Event of Default: If an Event of Default has occurred and the Non-Defaulting Party is the Company, then unless the Event of Default was a failure by the DS Supplier to meet any or all of its DS Supply obligations, the Company may elect, at its sole discretion, to offer to waive the default on such terms and conditions as the Company, at its sole discretion, may deem appropriate to propose a special remedy. Any

such special remedy can only be offered to the DS Supplier if it first is specifically approved by the PaPUC in accordance with Commission Orders.

5.4 Declaration of an Early Termination Date and Calculation of Settlement Amount and Termination Payment

(a) **Settlement Amount**: If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the Non-Defaulting Party shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as a date for Early Termination ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate the undertakings set forth in this Agreement, (ii) to withhold any payments due to the Defaulting Party under this Agreement, and (iii) to suspend performance; provided however, that an Early Termination Date shall be deemed to occur automatically and concurrently with the Event of Default, without any requirement for the provision of notice by the Non-Defaulting Party, with respect to an Event of Default under subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Article 5.1 of this Agreement. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount with respect to the obligations under this Agreement.

(i) For the purposes of such determination, the DS Supply provided for under this Agreement for the period following the Early Termination Date through the remainder of the term of this Agreement shall be deemed to be those quantity amounts that would have been delivered on an hourly basis, had this Agreement been in effect during the previous calendar year adjusted for such DS Load changes as may have occurred since the previous calendar year.

(b) **Net Out of Settlement Amounts**: The Non-Defaulting Party shall calculate a Termination Payment by aggregating all Settlement Amounts due under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply into a single amount by netting out (a) all Settlement Amounts that are due or will become due to the Defaulting Party, plus at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party and actually received, liquidated and retained by the Non-Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply against (b) all Settlement Amounts that are due or will become due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply, so that all such amounts shall be netted out to a single liquidated amount; provided, however, that if the DS Supplier is the Defaulting Party and the Termination Payment is due to the DS Supplier, the Company shall be entitled to retain a commercially reasonable portion of the Termination Payment, which may be equal to the entire amount of the Termination Payment, as security for additional amounts that may be determined to be due and owing by the DS Supplier as Damages and further provided that any previously attached security interest of the Company in such retained amounts shall continue. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. If the Termination Payment has been retained by the Company as security for additional amounts that may be determined to be due and owing by the DS Supplier, and if, upon making a final determination of Damages, the Termination Payment, or any portion

thereof, is to be made to the DS Supplier, the Company will pay simple interest on the Termination Payment amount being made to the DS Supplier. Simple interest will be calculated at the lower of the Interest Index or six (6) percent per annum.

(c) Notice of Termination Payment: As soon as practicable after calculation of a Termination Payment, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. Subject to Article 5.4(b) above, the Termination Payment shall be made by the Party that owes it within three (3) Business Days after such notice is effective.

(d) Disputes With Respect to Termination Payment: If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within three (3) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party as specified in the Termination Payment Dispute Notice.

(e) Multiple DS Supply Agreements: It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the Effective Date of this Agreement or are entered into after the Effective Date of this Agreement, the Company

will calculate a single Termination Payment applicable to all such agreements as set forth herein.

5.5 Step-up Provision

The Company may ask other DS Suppliers whether they wish to assume all or part of the delivery obligations on the same terms and price contained herein, but any DS Supplier shall not be obligated to assume any such step-up requests. Any agreement to make additional supply available shall be termed a "Step-Up", and is subject to compliance with the creditworthiness provisions of Article 6 of this Agreement. For the avoidance of doubt, in the event that the DS Supplier does not respond to the Company's Step-Up request within the relevant timeframe, then the DS Supplier shall be deemed to have rejected the Company's request in full.

5.6 Setoff of Payment Obligations of the Non-Defaulting Party

Any payment obligations of the Non-Defaulting Party to the Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply shall be set off: (i) first, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured and not subject to any Guaranty; (ii) second, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured, but which are subject to a Guaranty; and (iii) third, to satisfy any remaining payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply.

5.7 Preservation of Rights of Non-Defaulting Party

The rights of the Non-Defaulting Party under this Agreement, including without limitation Article 5.4 and 5.7 of this Agreement, shall be supplemental to, and not in lieu of, any right of recoupment, lien, or set-off afforded by applicable law, and all such rights are expressly preserved for the benefit of the Non-Defaulting Party.

(a) Duty to Mitigate: Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

(b) Return of Auction Revenue Rights: When the DS Supplier is the Defaulting Party, the DS Supplier will make best efforts to facilitate the transfer or reassignment to the entity which is the replacement DS Supplier on the Early Termination Date, any and all of the replacement DS Supplier's rights to Auction Revenue Rights (ARRs) to which the replacement DS Supplier is entitled as a LSE pursuant to the PJM Agreements, which were transferred or assigned to the DS Supplier under Section 2.3 (Congestion and Congestion Management).

ARTICLE 6: CREDITWORTHINESS

6.1 Applicability

Both Parties shall meet the creditworthiness requirements specified in Appendix A at all times during the term of this Agreement and shall inform the other Party immediately of any material changes in its credit rating or financial condition. Without limitation of the foregoing, the DS Supplier shall, upon written request, affirmatively demonstrate to the Company, its compliance with the creditworthiness requirements set forth hereunder. The Company may establish less restrictive creditworthiness requirements under this Article 6 in a non-discriminatory manner.

6.2 Intentionally Omitted

6.3 Mark-to-Market Credit Exposure Methodology

The Parties will periodically calculate the Mark-to-Market Credit exposure of DS Supplier in accordance with Appendix B.

6.4 Intentionally Omitted

6.5 Intentionally Omitted

6.6 Intentionally Omitted

6.7 Security Instruments

At the providing Party's choice, the following are deemed to be acceptable methods for posting security, if required:

(a) Cash; or

(b) A standby irrevocable letter of credit acceptable to the Company, in its sole discretion, issued by a bank or other financial institution with a minimum "A-" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P and "A3" from Moody's. The letter of credit shall state that it shall renew

automatically for successive one-year or shorter periods, until terminated upon at least ninety (90) days prior written notice from the issuing financial institution. If the requesting Party receives notice from the issuing financial institution that the letter of credit is being cancelled, the providing Party will be required to provide a substitute letter of credit from an alternative bank satisfying the minimum requirements. The receipt of the substitute letter of credit must be effective as of the cancellation date and delivered to the requesting Party thirty (30) days before the cancellation date of the original letter of credit. If the providing Party fails to supply a substitute letter of credit as required, then the Company will have the right to draw on the existing letter of credit and to hold the amount as Margin.

If the credit rating of a bank or other financial institution from which a Party has obtained a letter of credit falls below the levels specified in Article 6 of this Agreement, the Party shall have three (3) Business Days following written notice by the requesting Party to obtain a suitable letter of credit from another bank or other financial institution that meets those standards, unless such period is extended in writing by the requesting Party. The requesting Party shall have no obligation under this Agreement or otherwise to make or grant such extension.

6.8 Maintenance of Creditworthiness

(a) **Reporting of Changes**: A Party shall promptly notify the other Party of any change in its credit rating or financial condition or that of its Guarantor. The Party or Guarantor shall also furnish evidence of an acceptable credit rating or financial condition upon the request of the other Party.

(b) Change in Credit Standing: Creditworthiness may be re-evaluated whenever a Party becomes aware of a material change, through the provision of notice by the other Party or otherwise, in the Party's or Guarantor's credit standing.

6. 9 Calling on Security

Security posted by a Party may be called upon if the other party fails to perform or fails to pay amounts due pursuant to this Agreement or any other agreement(s) between the Parties after all of the following events occur:

(a) Written Notice of Default is provided to the non-performing Party; and

(b) Any applicable cure period associated with the written Notice of Default ends.

The foregoing notwithstanding, the security posted by either Party shall become due automatically without prior notice or right of cure in the case of any Event of Default arising under subsections (a), (b), (c), (d), (e), (f), (g) and (h) of Section 5.1 of this Agreement.

6.10 Interest on Cash Held by a Party

A Party will pay simple interest calculated at the lower of the Interest Index or six (6) percent per annum on all cash held by the Party pursuant to this Agreement. Each Billing Month, the holding Party will prepare a statement of interest amounts due to the other Party. The statement will be sent to the providing Party within three (3) Business Days after the end of the Billing Month via overnight mail or other expeditious means. The holding Party shall make interest payments on the first Business Day after the 5th day of each calendar month**.**

6.11 No Endorsement of DS Supplier

The Company's determination that a DS Supplier is creditworthy pursuant to the process set forth above, shall not be deemed to constitute an express or implied warranty or guarantee of any kind with respect to the financial or operational qualifications of the DS Supplier. The Company will treat all DS Suppliers in a non-discriminatory manner and shall provide no preference to any DS Supplier.

6.12 Multiple DS Supply Agreements

It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the effective date of this Agreement or is entered into after the effective date of this Agreement, the Company will calculate the Margin applicable to all such agreements as set forth herein. Each DS Supplier that is a party to such other agreements with the Company for the provision of DS Supply hereby agrees that such other agreements are deemed amended by this Agreement for the purpose of calculating the Margin as described herein.

ARTICLE 7: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT

7.1 Load Obligations

The Company and the DS Supplier acknowledge and agree that (1) the DS Supplier shall determine the DS Load, (2) the Company shall allocate the DS Supply obligation using the DS Supplier Responsibility Share, (3) the DS Supplier shall provide the DS Supplier's DS Supply obligation to PJM, and (4) the DS Supplier shall be responsible for meeting its DS Supply obligations as a LSE under the PJM Agreements.

7.2 Data Transmission

The procedures for transmitting load obligation data to PJM for DS Supplier's DS Load shall be as set forth by PJM.

7.3 Energy Scheduling

The Company is not obligated to provide any day ahead scheduling services. If the Company chooses to provide such services, the information provided is not guaranteed by the Company.

ARTICLE 8: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS

8.1 Energy Settlement By PJM

The settlement process occurs at PJM to reflect the DS Supplier's actual Energy obligations in a supply/usage reconciliation process. The Energy obligations for each DS Supplier will be determined based on the DS Supplier Responsibility Share of the DS Load. The reconciled total DS Energy obligation will be based on the final total Energy loads for the Customers receiving DS service, including duration adjustments for marginal losses.

Any adjustments for billing and metering errors reported subsequent to the calculation of FMEA will be proportionally allocated by the Company to the DS Suppliers based on the respective DS Supplier Responsibility Share.

8.2 Energy Settlement by the Company

In the event that actual DS Customer consumption data is not available until after the PJM deadline for conducting the final settlement, the Company will conduct the settlement process with the DS Supplier. In the event PJM imposes penalties against the Company as a result of the DS Supplier's Transactions or failure to meet PJM requirements, such penalties shall be passed through by the Company, to the DS Supplier as part of this settlement process. In addition, all other applicable charges from PJM, including any billing adjustments, will be appropriately allocated to the DS Supplier.

ARTICLE 9: BILLING AND PAYMENT

9.1 The Company Payment of Obligations to the DS Supplier

The Company shall pay all amounts due to the DS Supplier hereunder in accordance with the following provisions:

(a) Each Billing Month, the DS Supplier will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown in Appendix C, multiplied by the Seasonal Billing Factor, if applicable, for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage as shown in Appendix C for each hour of the Billing Month.

(b) The Statement will be sent to the Company within seven (7) Business Days after the end of the Billing Month via overnight mail or other expeditious means.

(c) The Company shall make payment on the first Business Day after the 19th day of each calendar month.

(d) To the extent that the FMEA differs from the PMEA, the Company shall pay or charge the DS Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement.

(e) If each Party owes an amount to the other Party pursuant to this Agreement, including any related interest, payments or credits, the Parties may satisfy their respective obligations to each other by netting the aggregate amounts due to one Party against the

aggregate amounts due to the other Party, with the Party, if any, owing the greater aggregate amount paying the other Party the difference between the amounts owed.

(f) Payments shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(g) The Company shall make payments of funds payable to the DS Supplier by electronic transfer to a bank designated by the DS Supplier.

(h) If a good faith dispute arises between the Company and the DS Supplier regarding a Statement, the disputing Party shall be obligated to pay only the undisputed portion of the Statement, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within one hundred twenty (120) calendar days from the date of the Statement in dispute. Statement disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a Statement dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a Statement dispute was received by the non-disputing Party.

(i) If payment is made to the DS Supplier after the due date shown on the Statement, a late fee will be added to the unpaid balance until the entire Statement is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding

day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

9.2 Billing for DS Supplier's Obligations to Other Parties

The Company shall have no responsibility for billing between the DS Supplier and PJM; the DS Supplier and any Energy or Capacity source; or the DS Supplier and any other third party. The Company will be solely responsible for billing DS Customers for Default Service.

9.3 The DS Supplier Payment of Obligations to the Company

The DS Supplier shall pay all Charges it incurs hereunder in accordance with the following provisions:

(a) Each Billing Month, the Company shall submit an invoice to the DS Supplier for all Charges owed by the DS Supplier under this Agreement. The DS Supplier shall make payment for Charges shown on the invoice. The due date will be on the first Business Day after the 19th day of each calendar month. The invoice will be sent to the DS Supplier within seven (7) Calendar Days after the end of the Billing Month via overnight mail or other expeditious means.

(b) Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(c) The DS Supplier shall make payments of funds payable to the Company by electronic transfer to a bank designated by the Company.

(d) If a good faith dispute arises between the Company and the DS Supplier regarding an invoice, the disputing Party shall pay only the undisputed portion of the invoice, if any, and shall present the dispute in writing and submit supporting

documentation to the non-disputing Party within one hundred twenty (120) calendar days from the due date of the invoice in dispute. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a billing dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a bill dispute was received by the non-disputing Party.

(e) If payment is made to the Company after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

ARTICLE 10: SYSTEM OPERATION

The Parties shall adhere to any applicable operational requirements of PJM necessary to protect the integrity of the transmission system within the PJM Control Area and the transmission systems of interconnected control areas, and shall satisfy any and all PJM, RFC and NERC criteria, when applicable. The DS Supplier shall also adhere to any applicable operational requirements of the Company necessary to protect the integrity of the Company's local distribution system.

10.1 Disconnection and Curtailment By the Company

The Company shall have the right, without incurring any liability to the DS Suppliers, to disconnect (or otherwise curtail, interrupt or reduce deliveries from) the DS Suppliers or to disconnect (or otherwise curtail, interrupt or reduce deliveries to) any Customer whenever the Company determines in the exercise of its good faith discretion, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; or due to any other reason affecting the safe and reliable operation of the Company's or a Customer's facilities, including, without limitation, an Emergency, forced outage or potential overloading of the Company's transmission and/or distribution circuits, potential damage to any Customer's facilities or any risk of injury to persons or property.

10.2 Inadvertent Loss of Service to DS Customers

The Parties agree and acknowledge that service to DS Customers may be inadvertently lost due to storms, weather, accidents, breakage of equipment or other events beyond the reasonable control of the Company affecting the transmission and distribution system of the Company. Neither Party will have any liability to the other Party for the

occurrence of such events except for the Company's obligation to pursue steps for the resumption of the disrupted service as set forth in Section 10.3 below. In no event will an inadvertent loss of service affect a Party's obligation to make any payments then due or becoming due with respect to performance rendered prior to such inadvertent loss of service.

10.3 Good Faith Efforts

The Company shall use good faith efforts to: (a) minimize any curtailment, interruption or reduction in service to DS Customers to the extent reasonably practicable under the circumstances; (b) provide the DS Supplier with prior notification of any curtailment, interruption or reduction in service to DS Customers, to the extent reasonably practicable; and (c) resume service to DS Customers as promptly as reasonably practicable.

10.4 PJM Requirements

The DS Supplier acknowledges and agrees that, as a member of PJM, the Company is bound by all PJM operating instructions, policies and procedures as are currently set forth in the PJM Operating Manual, which are available through the Internet on the PJM Home Page (http://www.pjm.com), as may be revised from time to time, which are needed to maintain the integrity of the PJM system. The DS Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Emergency Operations Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer load by either manual or automatic means.

10.5 Compliance with Governmental Directives

The DS Supplier also acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect DS Customer load. The DS Supplier agrees to cooperate with the Company in order to comply with said directives.

ARTICLE 11: DISPUTE RESOLUTION

11.1 Informal Resolution of Disputes

Before pursuing resolution of any dispute arising out of this Agreement (other than an Event of Default under Article 5.1(a)-(i), (l), or (p)), the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Article 11.1 (Informal Resolution of Disputes), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Index from the original due date through the date of payment.

11.2 Recourse to Agencies or Courts of Competent Jurisdiction

After the requirements of Article 11.1 (Informal Dispute Resolution) have been satisfied, all unresolved disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act ("FPA"), with the PaPUC under relevant provisions of the Applicable Legal Authorities, with a Pennsylvania State court or a federal court of competent jurisdiction and within reasonably close proximity to the Company. The Party's agreement hereunder is without prejudice to any Party's right to contest the jurisdiction of the agency or court to which a complaint is brought.

The Parties hereby acknowledge and agree that both Parties have negotiated and entered into this Agreement freely and in good faith and that the terms of this Agreement have not been affected in any way, either directly or indirectly, by (A) any fraud, duress, unfairness, or any inequity in the relative bargaining power of the Parties or (B) any manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

To the extent permitted by law and absent agreement to the contrary, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives its rights (i) to argue before any governmental authority that any review, modification, or rescission of this Agreement should be considered under any standard of review other than the "public interest" standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine"), and (ii) to argue before any governmental authority that any terms of this Agreement should be modified or rescinded based on (A) any claim of fraud, duress, unfairness, bad faith, or inequity in the relative bargaining power of the Parties or (B) any claim of market manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

ARTICLE 12: REGULATORY AUTHORIZATIONS AND JURISDICTION

12.1 Compliance with Applicable Legal Authorities

The Company and the DS Supplier are subject to, and shall comply with, all existing or future applicable federal, State and local laws, all existing or future duly-

promulgated orders or other duly-authorized actions of PJM or of Applicable Legal Authorities.

12.2 FERC Jurisdictional Matters

The inclusion herein of descriptions of procedures or processes utilized by PJM or otherwise subject to the jurisdiction of FERC is intended solely for informational purposes. If anything stated herein is found by the FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA or if any existing procedures or processes utilized by PJM are duly modified, the applicable FERC rule, regulation, order, determination or modification shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company and/or the DS Supplier, if applicable, shall use reasonable commercial efforts to secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

12.3 Energy Efficiency, Conservation, On-Site Generation and Retail Market Programs

DS Supplier acknowledges that DS Customers may participate in energy efficiency and conservation programs offered by the Company (required by Applicable Legal Authorities or otherwise offered by the Company whether voluntarily or not), by PJM, or by other third parties and, for the avoidance of doubt, any programs offered or conducted by the Company or other entities relating to or arising from the PaPUC's Investigation of Pennsylvania's Retail Electricity Market, PaPUC Docket No. I-2011-2237952 (including legislation enacted to address the Commission's Final Order in Docket No. I-2011-2237952), and that such participation may reduce or change the amount of DS Supply that

DS Supplier is required to provide and the amount of monies it may receive under this Agreement. Furthermore, DS Supplier acknowledges that DS Customers may use, construct and rely on on-site generation facilities, including co-generation, solar, wind and other facilities. The Company shall have no obligation whatsoever to DS Supplier with respect to the effect, if any, of such programs. DS Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

ARTICLE 13: LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

13.1 Limitations on Liability

Except as set forth in this Agreement, there is no warranty of merchantability or fitness for a particular purpose, and any and all implied warranties are disclaimed. The Parties confirm that the express remedies and measures of Damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of Damages is provided, such express remedy or measure of Damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision and all other remedies or Damages at law or in equity are waived. If no remedy or measure of Damages is expressly provided herein, the obligor's liability shall be limited to direct actual Damages only, such direct actual Damages shall be the sole and exclusive remedy and all other remedies or Damages at law or in equity are waived. Unless expressly herein provided, neither Party shall be liable for consequential, incidental, punitive, exemplary or indirect Damages, lost profits or other business interruption Damages, by statute, in tort or contract, under any indemnity provision or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of Damages be without regard to the cause or causes related thereto, including the negligence or any Party, whether such negligence by sole, joint or concurrent, or active or passive. To the extent any Damages required to be paid hereunder are liquidated, the Parties acknowledge that the Damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the Damages calculated hereunder constitute a reasonable approximation of the harm or loss.

13.2 Risk of Loss

Solely for purposes of determining risk of loss and for determining the indemnity obligations under Article 14 of this Agreement, the Company shall be deemed to have custody and control of the electric Energy delivered by the DS Supplier upon receipt thereof into the Company's distribution system and until delivery thereof at the retail electric meter of the Customer; and the DS Supplier shall be deemed to have custody and control of the DS Supply at all times prior to receipt thereof by the Company. The Party deemed to have custody and control of DS Supply shall be responsible for all loss or damage to property or injury or death to persons arising in connection with such DS Supply while in its custody and control and shall indemnify the other Parties with respect to same as set forth in Article 14 of this Agreement.

ARTICLE 14: INDEMNIFICATION

14.1 Indemnification

(a) Should the Company become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the DS Supplier with respect to an obligation arising under or in connection with this Agreement, or for which the DS Supplier has otherwise assumed liability under the terms of this Agreement, the DS Supplier shall defend (at the Company's option), indemnify and hold harmless the Company, its shareholders, board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Company. The Company may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(b) Should the DS Supplier (the "Indemnified DS Supplier") become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the Company with respect to an obligation arising under or in connection with this Agreement, or for which the Company has otherwise assumed liability under the terms of this Agreement, the Company shall defend (at the option of the Indemnified DS Supplier), indemnify and hold harmless the Indemnified DS Supplier, its shareholders,

board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Indemnified DS Supplier. The Indemnified DS Supplier may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(c) If either Party intends to seek indemnification under Article 14.1(a) or 14.1(b), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld, conditioned or delayed.

14.2 Survives Agreement

The obligation of a Party to defend, indemnify, and hold harmless another Party under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

ARTICLE 15: FORCE MAJEURE

15.1 Force Majeure

Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfills the requirements set forth in Article 15.2 (Notification).

15.2 Notification

A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 16: MISCELLANEOUS PROVISIONS

16.1 Notices

Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail or courier service. Notice may also be provided via e-mail or facsimile transmission (with the original transmitted by any of the other delivery methods specified in the previous sentence) addressed per the notification information for the DS Supplier and Company as set forth in Appendix C hereto.

Such notices, demands or requests shall also be provided to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.

16.2 No Prejudice of Rights

The failure of a Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

16.3 Assignment

Parties shall not assign any of their rights or obligations under this Agreement without obtaining the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. The Company agrees that it shall grant its consent to a

proposed assignment by the DS Supplier if the proposed assignee meets all of the Company's creditworthiness requirements then in effect under this Agreement and any applicable load cap restrictions. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained. Any assignment in violation of this Section 16.3 shall be void; provided, however, the Company may assign any or all of its rights and obligations under this Agreement notwithstanding anything contained herein to the contrary, without the DS Supplier's consent, to any entity succeeding to all or substantially all of the assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof and all necessary regulatory approvals are obtained. The DS Supplier may, with prior written notice to the Company but without obtaining the approval of the Company, assign the accounts, revenues or proceeds under this Agreement to a third party. The Company agrees that, following receipt of such notice of the assignment of accounts, revenues or proceeds and such other documentation that the Company may reasonably request, the Company will pay amounts becoming due to the assigning DS Supplier under this Agreement directly to the designated assignee; provided, however, that nothing herein shall enlarge or expand the rights of such designated assignee beyond the rights granted to the DS Supplier and the right of such designated assignee to receive payments shall be subject to all defenses, offsets and claims of the Company arising under this Agreement.

16.4 Governing Law and Venue

To the extent not subject to the jurisdiction of the FERC, questions including those concerning the formation, validity, interpretation, execution, amendment, termination and construction of this Agreement shall be governed by the laws of the Commonwealth of

Pennsylvania, without regard to principles of conflicts of law. Except for matters jurisdictional to FERC, the PUC or the appellate courts having jurisdiction over the PUC or FERC matters, all disputes hereunder shall be resolved in the Pennsylvania State court or Federal court of competent jurisdiction and within reasonably close proximity to the Company. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

16.5 Regulatory Approvals

DS Supplier agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the Agreement and/or Transaction Confirmations hereunder. The commencement of the Delivery Period and the obligations hereto are subject to (i) the receipt or waiver by Company of all Company required regulatory approvals, (ii) the receipt or waiver by DS Supplier of all DS Supplier required regulatory approvals, and (iii) Pennsylvania PUC approval.

16.6 Headings

The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

16.7 Third Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties hereto and nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

16.8 General Miscellaneous Provisions

(a) This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership

obligation or liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

(b) Cancellation, expiration or Early Termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including warranties, remedies, promises of indemnity and confidentiality.

(c) Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the agreement of the Parties; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.

(d) Each of the Parties acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This Agreement is intended by the Parties as a final expression of their agreement. The Parties further agree that this Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the Parties relating thereto. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement or any Transaction.

16.9 Taxes

As between the Parties: (i) The DS Supplier is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on the wholesale sales of DS Supply under this Agreement; and (ii) The Company is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on retail sales of DS Supply under this Agreement. Should the DS Supplier be required to remit any Pennsylvania State Sales and Use Taxes directly to the applicable taxing authority, other than taxes previously collected by the DS Supplier on behalf of the Company, the Company will defend and indemnify the DS Supplier for such Sales and Use Taxes and will pay to the DS Supplier all such tax amounts upon demand. If any Transaction is exempt from the payment of any such taxes, the affected DS Supplier will, if requested, provide the Company with valid tax exemption certificates. Should the Company be required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the DS Supplier, the DS Supplier will defend and indemnify the Company and will pay to the Company all such tax amounts upon demand.

16.10 Audit

Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Article 9 (Billing) and 9.1 (i) (Interest on Unpaid Balances) of this Agreement.

16.11 Rules of Interpretation

The following principles shall be observed in the interpretation and construction of this Agreement:

(a) Unless otherwise stated, the terms "include" and "including" when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;

(b) All titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;

(c) References to the singular include the plural and vice versa;

(d) References to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;

(e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing; and

(f) If any payment due under this Agreement would be, by operation of the terms and conditions of any provision hereof, due and payable on a day other than a Business Day, such payment shall be made on the next following Business Day.

16.12 Confidentiality

(a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the

receiving Party on a non-confidential basis; (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation; or (v) such disclosure is made to PJM or Pa PUC and is necessary in order for the Transactions contemplated by this Agreement to be consummated or to otherwise comply with the provisions of this Agreement.

(b) Notwithstanding any other provision of this Section 16.12, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality provisions of this Section 16.12, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.

(c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.

(d) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.12. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party breaches or threatens to breach its obligations

under this Article 16.12, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

16.13 Federal Acquisition Regulation

If any of the following clauses prescribed by the Federal Acquisition Regulation ("FAR"), 48 Code of Federal Regulations Chapter 1, should be deemed to apply to this Agreement, the DS Supplier shall comply with the requirements of such clause(s), and shall include the terms or substance of such clause(s) in its subcontracts, as and to the extent required by the FAR:

(a) Clean Air and Water: § 52.223-2;

(b) Contract Work Hours and Safety Standards Act-Overtime Compensation: § 52.222-4;

(c) Equal Opportunity: § 52.222-26;

(d) Affirmative Action for and Employment Reports on Special Disabled and Vietnam Era Veterans: § 52.222-35 and § 52.222-37;

(e) Affirmative Action for Handicapped Workers: § 52.222-36;

(f) Utilization of Small Business Concerns and Small Disadvantaged Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan: § 52.219-8 and § 52-219-9.

In case of a conflict between the provisions of the FAR and the balance of this Agreement, the requirements of the FAR shall prevail.

16.14 Binding Terms

This Agreement and the rates, terms and conditions herein shall remain in effect for the entire term hereof and each Party agrees not to seek any change to such rates, terms

and conditions pursuant to the FPA, if the FPA is deemed to have jurisdiction over this Agreement, including on the grounds that they are not just and reasonable.

16.15 Amendment

This Agreement, including the appendices hereto, cannot be amended without the written agreement of all Parties prior to such amendment becoming effective. Except as provided in Appendix C, the rates, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine").

16.16 Counterparts

This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument.

16.17 Successors

This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

_____ **By:** _____
[INSERT NAME]
President and Chief Executive Officer
[Citizens' or Wellsboro]

[SUPPLIER SIGNATURES APPEAR ON SUCCEEDING PAGE]

ATTEST:

_____ **By:**_____

[INSERT NAME]
[INSERT TITLE]
[INSERT WINNING BIDDER NAME]

APPENDIX A - CREDIT REQUIREMENTS

This Appendix A addresses the credit requirements and additional provisions with respect to the rights and obligations of each Party.

EDC: [CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

A. DS Supplier Credit Requirements:

Credit Rating of the DS Supplier or Guarantor, as applicable:

S&P	Moody's	Fitch	Maximum Credit Limit
A- and above	A3 and above	A- and above	$15,000,000
BBB +	Baa1	BBB +	$15,000,000
BBB	Baa2	BBB	$15,000,000
BBB-	Baa3	BBB-	$10,000,000
BB+	Ba1	BB+	$5,000,000
BB	Ba2	BB	$5,000,000
BB-	Ba3	BB-	$5,000,000
Below BB-	Below Ba3	Below BB-	N/A

DS Supplier Credit Rating Determination Methodology

The DS Supplier or its Guarantor must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating) equal to the Minimum Rating. A Guaranty substantially in the form of Appendix A-1, Form of Guaranty, shall be deemed acceptable to Company.

DS Supplier Posting Security and Return of Surplus Security

If the Mark-to-Market exposure calculated under Appendix B exceeds the Maximum Credit Limit, then the Company on any Business Day may request that the DS Supplier post a security in accordance with Article 6.7 in the excess amount, such notice to include a written statement explaining in reasonable detail the calculation of such excess amount.

DS Supplier shall deliver to Company such security within two (2) Business Days its receipt of such notice. If the security being held by the Company is not needed to satisfy the DS Supplier credit requirements, the Company shall return such surplus security to the DS Supplier within two (2) Business Days of Company's receipt of a written request by the DS Supplier, such request to include a written statement explaining in reasonable detail the calculation of such surplus amount.

B. Company Credit Requirements:

To ensure performance of its payment obligations and other duties hereunder, DS Supplier shall provide to Company ten (10) Business Days in advance of the initial Pricing Period, as set forth in the applicable Transaction Confirmation, a security calculation, and the Company shall provide to DS Supplier no later than two (2) Business Days in advance of such first Pricing Period, security in an acceptable form as defined in Article 6.7. Such security shall be in an amount equal to 1.5 times the highest projected monthly invoice for the then applicable Pricing Period for such Transaction Confirmation ("Company Security") as calculated by the DS Supplier based on a reasonable projection of expected DS Load, minus the Maximum Credit Limit specified for the Company below:

COMPANY MAXIMUM CREDIT LIMIT: [TBD]

Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such excess amount.

With respect to each subsequent Pricing Period, the DS Supplier shall refresh the Company Security calculation in advance of each Pricing Period, taking into account any security currently held by the DS Supplier and available during the subsequent Pricing Period, and

provide notice to the Company ten (10) Business Days in advance of the Pricing Period of any adjustments to the Company Security for the subsequent Pricing Period. Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such adjustment amount. If the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than two (2) Business Days in advance of the new Pricing Period. If the adjustment results in the DS Supplier holding excess Company Security, the DS Supplier shall return such excess security to the Company no later than the end of the then current Pricing Period (for avoidance of confusion, in advance of the subsequent Pricing Period). If DS Supplier refreshes the Company Security calculation after the beginning of a Pricing Period instead of in advance of the Pricing Period, and the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than five (5) Business Days after its receipt of such notice from DS Supplier.

C. Letter of Credit:

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit, issued by a commercial bank that has an office, branch, or place of business in the United States where claims can be presented having assets of at least $10 billion and a Credit Rating of at least "A-" from S&P or "A3" from Moody's, substantially in the form set forth in Appendix A-2 attached hereto or such other form as otherwise agreed to by the Parties, which approval shall not be unreasonably withheld by a Party. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

D. Grant of Security Interest/Remedies

To secure its obligations under this Agreement and to the extent that a Party has posted Margin/collateral hereunder, such Party hereby grants to the other Party a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the other Party, and the DS Supplier and the Company agree to take such action as is reasonably required to perfect the secured Party's first priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of such Party with respect to all collateral, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party whether held in connection with this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all security held by or for the benefit of the Non-Defaulting Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Non-Defaulting Party shall apply the proceeds of the collateral realized upon the exercise of such rights or remedies to reduce the Defaulting Party's obligation

under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply (the Defaulting Party remaining liable for any amounts owing to the Non-Defaulting Party after such application), subject to the Non-Defaulting Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

Appendix A-1
Form of Guaranty

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by _____("**Guarantor**"), in favor of _____*]* ("**Counterparty**").

RECITALS:

A. WHEREAS, Counterparty and **[Winning Bidder]** ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain ***[Specify Name of Agreement]*** [dated/entered into/effective as of] _____ _____, 20__ (the "**Underlying Agreement**"); and

B. WHEREAS, Counterparty and Obligor may from time to time enter into one or more transactions pursuant and subject to the terms of the Underlying Agreement (the "**Transactions**"), which Transactions would be evidenced by one or more confirmations entered into by Obligor and Counterparty in accordance with the Underlying Agreement (which documentation shall, together with the Underlying Agreement, collectively be referred to hereinafter as the "**Agreement**"); and

C. WHEREAS, Guarantor will directly or indirectly benefit from the Transactions to be entered into between Obligor and Counterparty pursuant to the Agreement.

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Counterparty's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Counterparty as follows:

* * *

GUARANTY. Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to Counterparty arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:

Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ *[spell out the dollar amount]* U.S. Dollars (U.S. $_____) (the "**Maximum Recovery Amount**").

The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the Counterparty (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in *Section 1(a)* above). In no event, however, shall Guarantor be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

DEMANDS AND PAYMENT.

(a) If Obligor fails to pay any Obligation to Counterparty when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), Counterparty may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").

(b) Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to Counterparty is conditioned upon Guarantor's receipt of a Payment Demand from Counterparty satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with *Section 9* below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) After issuing a Payment Demand in accordance with the requirements specified in *Section 2(b)* above, Counterparty shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of New York.

REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

it is a corporation duly organized and validly existing under the laws of the State of _____and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

RESERVATION OF CERTAIN DEFENSES. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.

AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Counterparty.

WAIVERS AND CONSENTS. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Except as required in *Section 2* above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that Counterparty seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.

(b) No delay by Counterparty in the exercise of (or failure by Counterparty to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).

(c) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Counterparty may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release any person (other than Obligor or Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

REINSTATEMENT. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by Counterparty as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

TERMINATION. Guarantor may terminate this Guaranty by providing a written termination notice to Counterparty specifying the date upon which such termination will take effect (*provided* that no such termination shall take effect prior to 5:00 p.m. (Eastern Prevailing Time) on the fifth (5th) Business Day after the termination notice has been delivered to Counterparty in accordance with *Section 9* hereof). Upon the effectiveness of such termination, Guarantor shall have no further liability hereunder, except as may pertain pursuant to the last sentence of this paragraph. No such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time such termination is effective, which Obligations shall remain subject to this Guaranty.

Unless terminated earlier, this Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately [upon the **[fourth] anniversary of the Effective Date**/at 11:59:59 p.m. Eastern Prevailing Time on [**_____, 20__**]]; *provided, however*, that no such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time the termination is effective, which Obligations shall remain subject to this Guaranty.

NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by Counterparty to Guarantor, or by Guarantor to Counterparty, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Counterparty, as applicable, to the other in accordance with the requirements of this *Section 9*):

*TO GUARANTOR: **	*TO COUNTERPARTY:*
_____ _____	_____ _____ _____ *Attn:* [Credit Manager]
[Tel: (___) ___-____ -- for use in connection with courier deliveries]	*[Tel: (___) ___-___ -- for use in connection with courier deliveries]*

* *(NOTE: Copies of any Notices to Guarantor under this Guaranty shall also be sent via electronic mail to ATTN:.*

* *(NOTE: Copies of any Notices to Counterparty under this Guaranty shall also be sent via electronic mail to ATTN:*

However, such electronic transmissions shall not be deemed effective for delivery purposes under this Guaranty.)

Any Notice given in accordance with this *Section 9* will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

MISCELLANEOUS.

(a) This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of New York, without regard to principles of conflicts of laws thereunder (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Counterparty and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Counterparty. Counterparty may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.

(c) This Guaranty embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) Counterparty (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably: (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the Supreme

Court of the State of New York, New York County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of New York) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by Counterparty, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

(g) COUNTERPARTY (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

(h) Delivery of an executed signature page of this Guaranty, and any subsequent amendment(s), by facsimile transmission or other electronic transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed signature page hereof.

* * *

SIGNATURE ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20__, but it is effective as of the Effective Date.

[INSERT GUARANTOR NAME]

By:

_____

Name:

_____

Title:

_____

APPENDIX B - MTM EXPOSURE AMOUNT CALCULATION INFORMATION

To calculate credit exposure, a Mark-to-Market ("MtM") credit exposure methodology will be used. On each Trigger Date (as defined in Exhibit 1) the MtM will be calculated for each Billing Month of the upcoming Pricing Period by the DS Supplier, and the total MtM credit exposure will equal the sum of the MtM credit exposures for each Billing Month during such upcoming Pricing Period.

For each Billing Month during the applicable Pricing Period, the MtM will be calculated as follows:

Sum of a reasonable expectation of the amount of DS Load (kWh) for such Billing Month times (the Contract Price minus the Forward Market Price ($/kWh)).

Where:

Contract Price = the sum of the Applicable Index for DS Fixed Price load plus the Supplier Adder ($/kWh).

The Market Price Hub is PJM RT Western Hub.

For the avoidance of doubt, the MtM calculation will exclude any DS Variable Price load.

APPENDIX C - DS SUPPLY SPECIFICATIONS

The following DS Supply specifications will be specified in Transaction Confirmations to this SMA.

Product:

Full Requirements Service, meaning all of the following necessary services or products that are required to supply the DS Responsibility Share for the DS Customers associated with the Transaction Confirmation, including:

Energy, Capacity, transmission, Ancillary Services, Alternative Energy Credits for compliance with the AEPS Act, transmission and distribution system losses, congestion management costs, and such other products and services that are required except for distribution service.

Appendix D - describes Company and DS Supplier Responsibilities for PJM Billing Statement Line Item Credits and Charges associated with the Product, including assignment of NITS, Capacity and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") expenses for the default service loads to the Companies through PJM billing line item transfers ("BLITs").

Appendix E - further describes DS Supplier responsibilities for compliance with the AEPS Act in the product specification.

DS Customer Group:

Each Transaction Confirmation shall be associated with DS Supply to one of the following DS Customer categories as defined in the DS Tariff:

Residential;

Small Commercial (annual peak demands less than or equal to 400kW);

Large Commercial and Industrial (peak demands greater than 400kW)

Service Type: All rate classes on default service

Delivery Point: [Citizens' Aggregate or Wellsboro Aggregate]

Delivery Period: June 1, 2025 through May 31, 2029

Number of Tranches and Percentage for Each Tranche: 1 Tranche (100%)

DS Supplier Responsibility Share: 100%.

DS Fixed Percentage/DS Variable Percentage: The percentage of DS Supply provided at a fixed price and the percentage of DS Supply provided at a variable price will vary by month based on the usage of the Company's DS customers. The Parties will develop protocols and procedures to accurately track and reconcile deliveries between fixed and variable. In addition, such protocols and procedures will ensure that usage by customers that are served by EGSs is excluded from Supplier's obligations hereunder.

APPENDIX D – RESPONSIBILITIES FOR PJM BILLING LINE ITEMS AS DEFINED IN APPLICABLE PJM AGREEMENT OR MANUAL

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
ID#	**CHARGES**		
1000	Amount Due for Interest on Past Due Charges		X
1100	Network Integration Transmission Service	X	
1108	Transmission Enhancement	X	
1110	Direct Assignment Facilities		X
1115	Transmission Enhancement Settlement (EL05-121-009)	X	
1120	Other Supporting Facilities		X
1130	Firm Point-to-Point Transmission Service		X
1133	Firm Point-to-Point Transmission Service Resale		X
1140	Non-Firm Point-to-Point Transmission Service		X
1143	Non-Firm Point-to-Point Transmission Service Resale		X
1200	Day-ahead Spot Market Energy		X
1205	Balancing Spot Market Energy		X
1210	Day-ahead Transmission Congestion		X
1215	Balancing Transmission Congestion		X
1216	Pseudo-Tie Balancing Congestion Refund		X
1218	Planning Period Congestion Uplift		X
1220	Day-ahead Transmission Losses		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1225	Balancing Transmission Losses		X
1230	Inadvertent Interchange		X
1240	Day-ahead Economic Load Response		X
1241	Real-time Economic Load Response		X
1242	Day-ahead Load Response Charge Allocation		X
1243	Real-time Load Response Charge Allocation		X
1245	Emergency Load Response		X
1250	Meter Error Correction		X
1260	Emergency Energy		X
1301	PJM Scheduling, System Control and Dispatch Service – Control Area Administration		X
1302	PJM Scheduling, System Control and Dispatch Service – FTR Administration		X
1303	PJM Scheduling, System Control and Dispatch Service –Market Support		X
1304	PJM Scheduling, System Control and Dispatch Service – Regulation Market Administration		X
1305	PJM Scheduling, System Control and Dispatch Service – Capacity Resource/Obligation Mgmt.		X
1306	PJM Scheduling, System Control and Dispatch Service – Advanced Second Control Center		X
1307	PJM Scheduling, System Control and Dispatch Service – Market Support Offset		X
1308	PJM Scheduling, System Control and Dispatch Service Refund – Control Area Administration		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1309	PJM Scheduling, System Control and Dispatch Service Refund – FTR Administration		X
1310	PJM Scheduling, System Control and Dispatch Service Refund – Market Support		X
1311	PJM Scheduling, System Control and Dispatch Service Refund –Regulation Market Administration		X
1312	PJM Scheduling, System Control and Dispatch Service Refund – Capacity Resource/Obligation Mgmt.		X
1314	Market Monitoring Unit (MMU) Funding		X
1315	FERC Annual Charge Recovery		X
1316	Organization of PJM States, Inc. (OPSI) Funding		X
1317	North American Electric Reliability Corporation (NERC)		X
1318	Reliability First Corporation (RFC)		X
1319	Consumer Advocates of PJM States, Inc. (CAPS)		X
1320	Transmission Owner Scheduling, System Control and Dispatch Service		X
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service		X
1340	Regulation and Frequency Response Service		X
1350	Energy Imbalance Service		X
1360	Synchronized Reserve		X
1362	Non-Synchronized Reserve		X
1365	Day-ahead Scheduling Reserve		X
1370	Day-ahead Operating Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1371	Day-ahead Operating Reserve for Load Response		X
1375	Balancing Operating Reserve		X
1376	Balancing Operating Reserve for Load Response		X
1377	Synchronous Condensing		X
1378	Reactive Services		X
1380	Black Start Service		X
1390	Fuel Cost Policy Penalty		X
1400	Load Reconciliation for Spot Market Energy		X
1410	Load Reconciliation for Transmission Congestion		X
1420	Load Reconciliation for Transmission Losses		X
1430	Load Reconciliation for Inadvertent Interchange		X
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		X
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		X
1442	Load Reconciliation for Schedule 9-6 – Advanced Second Control Center		X
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding		X
1445	Load Reconciliation for FERC Annual Charge Recovery		X
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		X
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)		X
1448	Load Reconciliation for Reliability First Corporation (RFC)		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1449	Load Reconciliation for Consumer Advocates of PJM States, Inc. (CAPS) Funding		X
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		X
1460	Load Reconciliation for Regulation and Frequency Response Service		X
1470	Load Reconciliation for Synchronized Reserve		X
1472	Load Reconciliation for Non-Synchronized Reserve		X
1475	Load Reconciliation for Day-ahead Scheduling Reserve		X
1478	Load Reconciliation for Operating Reserve		X
1480	Load Reconciliation for Synchronous Condensing		X
1490	Load Reconciliation for Reactive Services		X
1500	Financial Transmission Rights Auction		X
1600	RPM Auction	X	
1610	Locational Reliability	X	
1650	Auction Specific MW Capacity Transaction		X
1660	Load Management Compliance Penalty		X
1661	Capacity Resource Deficiency		X
1662	Generation Resource Rating Test Failure		X
1663	Qualifying Transmission Upgrade Compliance Penalty		X
1664	Peak Season Maintenance Compliance Penalty		X
1665	Peak-Hour Period Availability		X
1710	PJM/MISO Seams Elimination Cost Assignment		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1720	RTO Start-up Cost Recovery		X
1730	Expansion Cost Recovery		X
1900	Unscheduled Transmission Service		X
1910	Ramapo Phase Angle Regulators		X
1911	Michigan-Ontario Interface Phase Angle Regulators		X
1920	Station Power		X
1930	Generation Deactivation		X
1932	Generation Deactivation Refund		X
1950	Virginia Retail Administrative Fee		X
1952	Deferred Tax Adjustment		X
1955	Deferral Recovery		X
1957	Schedule 11A PJM Net		X
1980	Miscellaneous Bilateral		X
1995	PJM Annual Membership Fee		X
1999	PJM Customer Payment Default		X
ID#	**CREDITS**		
2100	Network Integration Transmission Service	X	
2108	Transmission Enhancement	X	
2110	Direct Assignment Facilities		X
2120	Other Supporting Facilities		X
2130	Firm Point-to-Point Transmission Service		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2132	Internal Firm Point-to-Point Transmission Service		X
2133	Firm Point-to-Point Transmission Service Resale		X
2140	Non-Firm Point-to-Point Transmission Service		X
2142	Internal Non-Firm Point-to-Point Transmission Service		X
2143	Non-Firm Point-to-Point Transmission Service Resale		X
2210	Transmission Congestion		X
2211	Day-ahead Transmission Congestion		X
2215	Balancing Transmission Congestion		X
2217	Planning Period Excess Congestion		X
2218	Planning Period Congestion Uplift		X
2220	Transmission Losses		X
2240	Day-ahead Economic Load Response		X
2241	Real-time Economic Load Response		X
2245	Emergency Load Response		X
2260	Emergency Energy		X
2320	Transmission Owner Scheduling, System Control and Dispatch Service		X
2330	Reactive Supply and Voltage Control from Generation and Other Sources		X
2340	Regulation and Frequency Response Service		X
2350	Energy Imbalance Service		X
2360	Synchronized Reserve		X
2362	Non-Synchronized Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2365	Day-ahead Scheduling Reserve		X
2370	Day-ahead Operating Reserve		X
2371	Day-ahead Operating Reserve for Load Response		X
2375	Balancing Operating Reserve		X
2376	Balancing Operating Reserve for Load Response		X
2377	Synchronous Condensing		X
2378	Reactive Services		X
2380	Black Start Service		X
2390	Fuel Cost Policy Penalty		X
2415	Balancing Transmission Congestion Load Reconciliation		X
2420	Load Reconciliation for Transmission Losses		X
2500	Financial Transmission Rights Auction		X
2510	Auction Revenue Rights		X
2600	RPM Auction	X	
2620	Interruptible Load for Reliability	X	
2630	Capacity Transfer Rights		X
2640	Incremental Capacity Transfer Rights		X
2650	Auction Specific MW Capacity Transaction		X
2660	Load Management Compliance Penalty		X
2661	Capacity Resource Deficiency		X
2662	Generation Resource Rating Test Failure		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2663	Qualifying Transmission Upgrade Compliance Penalty		X
2664	Peak Season Maintenance Compliance Penalty		X
2665	Peak-Hour Period Availability		X
2710	PJM/MISO Seams Elimination Cost Assignment		X
2720	RTO Start-up Cost Recovery		X
2730	Expansion Cost Recovery		X
2910	Ramapo Phase Angle Regulators		X
2912	CT Lost Opportunity Cost Allocation		X
2930	Generation Deactivation		X
2932	Generation Deactivation Refund		X
2950	Virginia Retail Administrative Fee		X
2980	Miscellaneous Bilateral		X
2996	Annual PJM Cell Tower		X
2997	Annual PJM Building Rent		X

APPENDIX E – DS SUPPLIER'S OBLIGATIONS FOR AEPS COMPLIANCE

To satisfy AEPS with respect to the DS Supplier's Responsibility Share, DS Supplier shall fulfill the following obligations:

(1) Providing sufficient AECs for each tranche awarded via the DS Solicitation less the Allocated AECs; AEC requirements are driven by each Company submitting load data at the meter point into the AEPS website. The Company will provide DS Supplier with the Obligation letter from PennAEPS for each Energy Year "EY".

(2) Paying any AEPS penalties, costs, charges, etc. assessed against the DS Supplier and/or the Company associated with the DS Supplier's non-performance with AEPS requirements;

(3) Submitting to the Company proof of AEPS compliance under this Agreement in such form and manner as may be required by the Company.

(4) Provide to the Company all information the Company may require to comply with the AEPS Act and its implementing regulations and other Requirements of Law, including, but not limited to the price paid per AEC required by 73 Pa.C.S. §1648.3(e)(8).

This Appendix E shall confirm the Alternative Energy Portfolio Standards Obligation of the Transaction agreed to on March __, 2025 ("Bid Proposal Due Date").

Alternative Energy Portfolio Standards Obligations for the period beginning June 1, 2025 based on the total MWh supplied by DS Supplier:

Compliance Period	Tier 1	PV	Tier 2
6/1/2025 to 5/31/2026	8.0%	0.5000%	10%
6/1/2026 to 5/31/2027	8.0%	0.5000%	10%

6/1/2027 to 5/31/2028	8.0%	0.5000%	10%
6/1/2028 to 5/31/2029	8.0%	0.5000%	10%

The Tier 1 percentages are inclusive of the PV percentages. For example, of the 8.0% of retail sales required to come from Tier 1 sources during the 2025/2026 Compliance Period, at least 0.5000% of all retail sales must come from PV sources.

In the event of a change to the AEPS Act ("AEPS Change in Law"), DS Supplier shall be responsible for procuring additional AECs required due to the AEPS Change in Law for Wellsboro and/or Citizens' default service load. DS Supplier shall be able to pass through without markup the additional costs incurred due to the AEPS Change in Law; however, such additional costs shall not exceed 105% of the reported mid-price on AMEREX for the product or products on the 60th day preceding commencement of the PJM Compliance Year(s) (May 31 – June 1) for which the AEPS Change in Law applies. If the 60th day preceding commencement of the Compliance Year is not a trading day, then the reported price(s) shall be as of the first trading day after that date.

If the Alternative Energy Portfolio Requirements change for any reason other than a change to the AEPS Act, such as an update to Section 2814(c) of the Public Utility Code, 66 Pa. C.S. § 2814(c), the DS Supplier shall be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service.

Allocated AECs: Supplier shall take on assignment of any AECs purchased by Company prior to the Effective Date, which shall be specified below:

NONE

EXHIBIT 1
TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated March __, 2025, between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** ("Company") and **[Winning Bidder]** ("DS Supplier"). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on March __, 2025 ("Transaction Date").

Product:	Full Requirements - Load Following
Service Type:	DS Customers
Delivery Point:	**[Citizens' Aggregate or Wellsboro Aggregate]**
Delivery Period:	June 1, 2025 through May 31, 2029
Bid Blocks:	1
Specified Percentage:	100% of DEFAULT SERVICE Load
Supplier Adder:	_____ cents per kWh
Monthly Settlement Price:	(Applicable index + Supplier Adder) x Hourly DSP kWh
Applicable Index:	DS Variable Price Load: monthly load-weighted average of the Real Time PJM Western Hub LMP (kWh)

DS Fixed Price Load: Mathematical Average of Monthly Prices for PJM Western Hub Real-Time Peak (800MWh) Fixed Price (cents per kWh) at the Trigger Date (defined below) as published by the Intercontinental Exchange ("ICE").

If, at any time during the Delivery Period, the Applicable Index is not published by ICE, the Company and DS Supplier shall use commercially reasonable best efforts to agree on a market index substantially equivalent to the Applicable Index.

Trigger dates will be announced by 3:00 PM EPT for pricing at the end of the same day. If a Trigger Date is announced that falls on a day other than a Business Day, the actual Trigger Date will be the next Business Day following the announced Trigger Date. If no Trigger Date for a Pricing Period has been announced by the final day of the Trigger Date date range (defined below), the Trigger Date shall be the final day of the Trigger Date date range for that applicable Pricing Period; provided that if such Trigger Date has not been announced for a Pricing Period and the final date of the Trigger Date date range for the applicable Pricing Period is not a Business Day, then the following Business Day shall be the Trigger Date for such Pricing Period.

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation by electronic mail at **[insert Citizens' or Wellsboro email address]**. The signatories to this Transaction must have the authority to enter into this Transaction.

[CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

By: _____
Name: **[INSERT NAME]**.
Title: President and CEO

[WINNING BIDDER]

By:_____
Name: **[INSERT NAME]**
Title: **[INSERT TITLE]**

EXHIBIT 2
FORM OF NOTICE

Any notices required under this Agreement shall be made as follows:

Buyer: **[CITIZENS' OR WELLSBORO]**	DS Supplier: **[WINNING BIDDER]**
All Notices:	**All Notices:**
Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:	Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:
Invoices:	**Invoices:**
Attn: Phone: Email:	Attn: Phone: Email:
Scheduling:	**Scheduling:**
Attn: Phone: Email:	Attn: Phone: Email:
Payments:	**Payments:**
Attn: Phone: Email:	Attn: Phone: Email:
Wire Transfer:	**Wire Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:
ACH Transfer	**ACH Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:

Credit and Collections:

Attn:
Phone:
Email:

With additional Notices of an Event of Default to:

Attn:
Phone:
Email

Credit and Collections:

Attn:
Phone:
Email:

With Additional Notices of an Event of Default to:

Attn:
Phone:
Email:

EXHIBIT 3
DECLARATION OF AUTHORITY

PRINCIPAL AGENT DECLARATION OF AUTHORITY

This DECLARATION OF AUTHORITY ("Declaration") is a declaration and certification between [Principal Company Name], a [Principal State of Incorporation] [Principal Type of Entity] with its principal place of business located at [Principal Address] ("Principal" – PJM Member), [Agent Company Name], a [Agent State of Incorporation] [Agent Type of Entity] with its principal place of business located at [Agent Address] ("Agent"), and PJM Interconnection, L.L.C. ("PJM LLC"), a Delaware Limited Liability Company, (collectively the "Parties").

RECITALS:

WHEREAS, PJM LLC is a Regional Transmission Organization and Independent System Operator subject to the jurisdiction of the Federal Energy Regulatory Commission;

WHEREAS, PJM Settlement, Inc. ("PJM Settlement") is a Pennsylvania non-profit corporation, incorporated for the purpose of providing billing and settlement functions and credit and risk management functions for PJM. References to "PJM" in this Declaration are to PJM LLC and/or PJM Settlement, collectively, with regard to their respective functions;

WHEREAS, PJM LLC and PJM Settlement administer and settle centralized markets that clear various electric energy and energy-related products among multiple buyers and sellers;

WHEREAS, Principal is a PJM Member and seeks to obtain, or is obtaining, services provided or administered by PJM, seeks to participate, or is participating in, markets administered by PJM, or seeks to engage in, or is engaging in, operations that use or affect the integrated transmission system operated by PJM;

WHEREAS, such activities or contemplated activities by Principal and Agent are governed by rights, responsibilities and obligations established by or under the PJM Open Access Transmission Tariff ("Tariff"), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), Reliability Assurance Agreement Among Load-serving Entities in the PJM Region ("RAA"), and other agreements, manuals, and practices of PJM (the Tariff, the Operating Agreement, the RAA, and such other agreements, manuals, and practices of PJM, the "PJM Agreements");

WHEREAS, Principal and Agent each derive benefit from entering into this Declaration;

WHEREAS, Principal and Agent are parties to an agreement, the terms of which are not incorporated herein, in which Principal has authorized Agent to act for Principal with respect to certain rights, responsibilities and obligations on behalf of Principal, including serving as a financial obligor as it relates to Principal's obligations and responsibilities under the Tariff, RAA and or Operating Agreement identified herein;

WHEREAS, Principal and Agent desire to declare to PJM their respective authorities

concerning such rights, responsibilities and obligations, and intend that PJM rely upon such declaration; and

WHEREAS, Principal and Agent hereby agree that this Declaration shall supersede and replace all prior declarations of authority entered into between Principal and Agent regarding the authorities and resources described herein.

NOW, THEREFORE, acknowledging that PJM will rely on the truth, accuracy, and completeness of the statements made below, Principal and Agent, as indicated below, make the following certifications:

1. Exclusivity of Agent's Authority.

Pursuant to a binding, legally enforceable agreement, Principal has authorized Agent to act for Principal with respect to certain Authorized Rights, Responsibilities, and Obligations as specified in section 2 of this Declaration. With respect to the Authorized Rights, Responsibilities and Obligations, Agent is authorized to communicate and transact with PJM as Principal's sole and exclusive agent, and PJM is authorized to communicate and transact directly and exclusively with Agent as Principal's agent. With respect to the Authorized Rights, Responsibilities, and Obligations, Principal will abide by any direction issued by PJM to Agent.

2. Specification of Authorized Rights, Responsibilities and Obligations.

In the following subparts, Principal and Agent specify the rights, responsibilities and obligations for which Principal authorizes Agent to act for Principal (the "Authorized Rights, Responsibilities, and Obligations"). The Authorized Rights, Responsibilities, and Obligations apply only to those portions of Principal's facilities and/or directly served loads located in the PJM Region[1] and identified herein, and to no other facilities or loads of Principal.

[Only responsibilities selected will be shown on document]

Load Server Responsibilities.

> **Load – Energy, Ancillary Service and Capacity in Principal's Account:** Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Principal's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

[1] Capitalized terms not otherwise defined herein have the meaning specified in, as applicable, the Tariff, the Operating Agreement, and the Reliability Assurance Agreement among Load-Serving Entities in the PJM Region ("RAA")

Load – Energy, Ancillary Service and Capacity in Agent's Account: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Agent's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain, and/or administer Auction Revenue Rights ("ARRs") or Financial Transmission Rights ("FTRs") with respect to service of Principal's load, in accordance with the PJM Agreements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – Transmission Service: Principal authorizes Agent to perform the Transmission Service-related obligations, roles and responsibilities of Principal in accordance with the PJM Agreements, including, without limitation, providing or arranging for Transmission Service to the Principal's load(s) requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf, for the Accounts listed below and any current and subsequent associated sub-accounts.

PJM Org. ID	PJM Short Name	Current PJM Long Name	New PJM Long Name

Generator Responsibilities.

Generator – Energy Dispatching: Principal authorizes Agent to operate or to direct the operations of the Principal's generation resource(s), listed below, in all events, including, without limitation, to emergencies, and shall operate such resource(s) in a manner that is consistent with the standards, requirements, or directions of PJM, in accordance with the PJM Agreements.

Generator – Telemetry Using Principal's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Principal's telemetry communication link provided by PJM to Principal, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Telemetry Using Agent's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Agent's telemetry communication link provided by PJM to Agent, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Energy Scheduling: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of energy and ancillary services, excluding Black Start Service, from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Capacity: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of capacity from Principal's generation resource(s) listed below in accordance with the PJM Agreements, including, without limitation, to satisfying the qualification requirements of a capacity resource, transacting capacity bilaterally, specifying replacement capacity, satisfying the delivery year requirements of a committed resource, offering qualified capacity into Reliability Pricing Model ("RPM") Auctions or committing qualified capacity to a Fixed Resource Requirement ("FRR") plan.

Generator – eDART: Principal authorizes Agent to communicate electronically and/or verbally on behalf of Principal with PJM related to Principal's generation resource(s), listed below, in accordance with the PJM Agreements, including, but not limited to, generator outage tickets, equipment and/or facility parameters, reactive power capacity, Instantaneous Reserve Check (IRC), and GO Survey.

Generator – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain and/or administer Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs") with respect to the Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Black Start: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of Black Start Service from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Fuel Cost Policy: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the Fuel Cost Policy for Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator Name (ISA/WMPA/CSA)	Resource Name (Capacity Exchange)	Resource ID (Capacity Exchange)	Unit Name (Markets Gateway)	Unit ID (Markets Gateway)	PJM Queue Number

Billing Responsibilities.

Billing – Using Principal's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Principal shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Principal's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Using Agent's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Agent shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Agent's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Schedule 2, Reactive Supply in Principal's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Principal's account established within PJM's system.

Billing – Schedule 2, Reactive Supply in Agent's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Agent's account established within PJM's system.

Transmission Owner Responsibilities.

Transmission Owner – All Responsibilities: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations as a Transmission Owner under the PJM Agreements and Consolidated Transmission Owners Agreement, including, without limitation, communicating with PJM regarding all matters relating to Principal's Transmission Owner responsibilities within PJM, and operating Principal's transmission facilities in a manner that is consistent with the standards, requirements, or directions of PJM and that will permit PJM to perform its obligations under the PJM Agreements and applicable NERC standards, for the Principal owned transmission facilities at the substations listed below.

Transmission Substation	B2 – Voltage Level

Transmission Owner – Transmission Service: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations under the PJM Agreements, including, without limitations, providing or arranging for Transmission Service to the Principal's load(s), requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf.

Transmission Owner – eDART: Principal authorizes Agent to communicate electronically and/or verbal on behalf of Principal with PJM related to all Principal's transmission facilities in accordance with the PJM Agreements, including, but not limited to, transmission outage tickets, transmission facility parameters and system model information.

Transmission Owner – MOD-32: Principal authorizes Agent to provide MOD-032 compliance submittals to PJM on behalf of Principal. Principal authorizes PJM to obtain and provide Agent necessary software licenses for MOD-032 submittals. Principal recognizes that authorizing Agent to submit MOD-032 compliance data on its behalf does not relieve Principal of compliance requirements or enforcement actions that may be incurred with respect to the timeliness, completeness, and accuracy of the data, drawings, or other information provide to PJM by Agent.

Additional Responsibilities.

Telemetry: Principal authorizes PJM to share Real Time telemetry data with Agent.

Other: Principal authorizes Agent to receive other rights and perform other responsibilities and obligations of Principal as follows:

_____

_____

_____

3. Continuing Responsibilities and Liabilities of Principal and/or Agent.

(a) The Authorized Rights, Responsibilities and Obligations are the only rights, responsibilities and obligations under the PJM Agreements for which Principal authorizes Agent to act for Principal.

(b) All Principal's rights, responsibilities and obligations under the PJM Agreements not specified in section 2 of this Declaration or in an Addendum or Attachment hereto shall remain with Principal.

(c) Notwithstanding the authorizations granted to the Agent to act on behalf of Principal specified herein, nothing in this Declaration changes, diminishes or eliminates Principal's rights, obligations and responsibilities under the PJM

Agreements to the extent Agent fails to satisfy those obligations on behalf of Principal. In such case, Principal shall retain all of its rights, and remain ultimately responsible for all of its obligations and responsibilities, set forth in the PJM Agreements. Any failure of the Agent to act on Principal's behalf is a matter solely between Principal and Agent and Principal's sole redress in such case is against Agent.

(d) With respect to the Authorized Rights, Responsibilities and Obligations, and notwithstanding any other provision of this Declaration, Principal and Agent shall be held jointly and severally liable to PJM for all amounts due or which become due to PJM under the PJM Agreements, and Agent's authorization to make payment of any such amounts hereunder (if specified in section 2 of this Declaration) shall not release Principal from liability for any financial obligations to PJM not satisfied by Agent.

(e) Agent understands and agrees that its payment obligations with respect to the Authorized Rights, Responsibilities and Obligations shall be without right of setoff or netting with respect to any other obligation of Principal to PJM.

4. Reliance and Indemnity, Duty to Inform, Liability Waiver, Termination, and Rules of Construction.

(a) Principal and Agent each recognizes, accepts, and intends that PJM will rely upon on the truth, accuracy, and completeness of the declarations herein in matters including, but not limited to, creditworthiness and in assuring compliance with the PJM Agreements. Principal and Agent each recognizes and accepts that PJM or its Members may suffer losses and damages if any declaration is or becomes untrue, inaccurate, or incomplete. Principal and Agent agree to indemnify PJM for any losses and damages that it may suffer as a direct result of this Declaration. Nothing herein shall relieve Principal of its obligations pursuant to the PJM Agreements.

(b) Principal and Agent each has a continuing duty to notify PJM if and when any declaration herein ceases to be truthful, accurate, or complete. Until such time as PJM receives written notification of any change to any declaration, in accordance with the terms contained herein, PJM shall be entitled to rely perpetually on this Declaration, as governing its relationship with Principal and Agent, as to the subject matter of this Declaration. Written notice of changes to the declarations contained herein must be provided by Principal (a PJM Member) to PJM at least thirty (30) days in advance of their effectiveness. If Agent is also a PJM Member, then both parties will be required to provide thirty (30) days' prior written notification in order for such changes to be effective. Such notification is required for changes to certifications and identification of resources.

(c) In the event of default by Principal or Agent under this Declaration or any PJM Agreement, PJM may terminate this Declaration immediately upon notice to Principal and Agent.

(d) Principal (a PJM Member) may, for its sole convenience, terminate this Declaration by providing at least sixty (60) days' prior written notification to PJM in a form acceptable to PJM. If Agent is also a PJM Member, both parties will be required to provide at least sixty (60) days' prior written notification, in a form acceptable to PJM, in order for termination to become effective. Upon such termination, (1) all future rights and responsibilities associated with the subject matter of this Declaration shall revert to Principal, and Principal hereby agrees to accept any such reversion as principal and to satisfy all obligations and requirements associated therewith (including, but not limited to, creditworthiness requirements); and (2) all obligations associated with the subject matter of this Declaration undertaken or committed by Agent on behalf of Principal pursuant to this Declaration and during the term in which this Declaration was effective shall remain the joint and several obligation of Principal and Agent for as long as those obligations last.

(e) This Declaration shall automatically terminate upon the deactivation, or transfer to a third party, of all resources identified herein.

(f) Nothing in this Declaration shall be construed to create or give rise to any liability on the part of PJM and Principal and Agent expressly waive any claims that may arise against PJM under this Declaration. Principal and Agent, jointly and severally, agree to hold PJM harmless from any claims or disputes related to this Declaration, both prior to and after termination. This Declaration shall not be construed to modify any of the PJM Agreements and in the event of conflict between this Declaration and a PJM Agreement, the applicable PJM Agreement shall control.

(g) Capitalized terms used herein that are not defined herein have the meanings given in the PJM Agreements, as applicable.

The Recitals are hereby incorporated into the body of this Declaration.

5. Effective Date(s).

Principal authorizes Agent to act on behalf of Principal as of _____, 20__ ("Effective Date").

OR

The Effective Date shall be the date upon which this Declaration has been fully executed by each of Principal, Agent and PJM LLC.

6. Further Delegation:

Agent shall not assign any of the referenced rights, obligations or responsibilities to another third party agent pursuant to a separate and valid Declaration of Authority between Agent and that third party or otherwise.
[No responsibilities will be listed]

OR

Principal hereby authorizes Agent to assign the responsibilities listed below to another third party agent or assign pursuant to a separate and valid Declaration of Authority between Agent and that third party, and in which the liability remains joint and several as among Principal, Agent and that third party.
[Only responsibilities selected will be listed, which may be all]

7. Notices.

Any notice or request made to or by Principal, Agent, or PJM shall be made to the representative indicated below.

If to PJM:
PJM Interconnection, L.L.C.
Attn: General Counsel
2750 Monroe Blvd.
Audubon, PA 19403

and

PJM Interconnection, L.L.C.
Attn: Member Relations
2750 Monroe Blvd.
Audubon, PA 19403

If to Principal:
[Principal Company Name]
Attn: [Principal Contact Name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

If to Agent:
[Agent Company Name]
Attn: [Agent contact name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

IN WITNESS WHEREOF, Principal, Agent and PJM LLC execute this Declaration to be

effective on the Effective Date(s) indicated in Section 5 above.

PRINCIPAL

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

AGENT

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

PJM INTERCONNECTION, L.L.C.

Signature:

Name: Jennifer Tribulski

Title: Sr. Director, Member Services

PJM Interconnection, L.L.C.

Date Signed (MM/DD/YY):

CW Statement No. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

DIRECT TESTIMONY

AND EXHIBITS

OF

BYRON (BARNEY) FARNSWORTH JR

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2025 Through May 31, 2029	:	Docket Nos.: P-2024- P-2024-

DIRECT TESTIMONY OF BYRON FARNSWORTH
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Byron (Barney) Farnsworth Jr. My business address is 33 Austin Street, Wellsboro, Pennsylvania 16901

Q. By whom are you employed and what position do you hold with Wellsboro Electric Company?

A. I am employed by C&T Enterprises, Inc. ("C&T") and assigned to Wellsboro Electric Company ("Wellsboro") as the President and Chief Executive Officer.

Q. What are your duties in that capacity?

A. My duties are to lead and provide general management to Wellsboro. I am also responsible for power supply and regulatory issues.

Q. Please describe your educational background and professional background.

A. I have a Bachelor's Degree in Electrical Engineering from the Rochester Institute of Technology and a Masters Degree from Rochester Institute of Technology with concentrations in Management and Finance. I previously worked at Rochester Gas & Electric and NYSEG for over 23 years in varying roles that increased in responsibility. I started as a lineman, moved into engineering and into Power Control

as an Energy Scheduler/Forecaster. In 1996, RG&E formed an unregulated company, and I was brought in to build out the electric and natural gas supply, pricing models and risk management functions and assumed the same duties for NYSEG Solutions in 2004. During 2008, I started at MX Energy/Constellation Energy and worked in the retail space in Executive roles managing supply, pricing and risk management for various Electric Generation Suppliers ("EGSs") until I was hired by Wellsboro Electric Company in July 2018 as the VP, Engineering & Operations/COO. I became President and CEO in January 2020. I have participated on various ISO committees over the years and most recently sit on the PJM Finance Committee. Currently, I hold Director roles at Growth Resources of Wellsboro ("GROW") and the Wellsboro Area Chamber of Commerce. I'm a Board member with the Energy Association of Pennsylvania ("EAP") and recently-concluded my Vice-Chair role with EAP's, Electric Transmission and Distribution Committee. I sit on several local organizations with an advisory role.

Q. Please describe the purpose of your testimony.

A. My testimony introduces our witnesses and provides a general overview of Wellsboro, its service territory, and its customer base. I will support the decision of Wellsboro and Citizens' Electric Company of Lewisburg, Pa. ("Citizens'") (collectively, the "Companies") to continue procuring default service supply through Load-Following, Full Requirements ("FR") contracts with wholesale suppliers. I also will address the modification that we are proposing to the trigger process for the energy component pricing for the GSSR-1.

Q. Please identify the other witnesses submitting Direct Testimony on behalf of the Companies and describe the general subject areas of their testimony.

A. Mr. Nate Johnson (CW Statement No. 2) will provide a general overview of Citizens', its service territory, and its customer base. Because Citizens' and Wellsboro are under common ownership and of similar size, Mr. Johnson and I work closely together to develop joint regulatory filings and proposals such as this DSP. Mr. Johnson will provide information regarding the Companies' current DSP, including how the DSP complies with the "Prudent Mix" requirement in the Public Utility Code. Mr. Johnson will describe the proposed procurement plan and explain how that strategy is consistent with the Commission's policies and regulations.

Ms. Melissa Sullivan (Citizens'/Wellsboro Statement No. 3) will discuss the formulation of Citizens' and Wellsboro's final Generation Service Supply Rates ("GSSRs") for default customers, which includes a GSSR-1 for Residential and Small Commercial & Industrial ("C&I") customers and a GSSR-2 for Large C&I customers.

LOAD CHARACTERISTICS & SHOPPING

Q. Please provide a brief overview of Wellsboro and its service territory.

A. Wellsboro is a small Electric Distribution Company ("EDC") providing service in the Borough of Wellsboro, Pennsylvania, and surrounding areas of Tioga County. As of December 31, 2023, Wellsboro served 6,456 customers, of which 5,155 were Residential and1,301 were commercial, industrial resale or lighting customers. Wellsboro's service territory is surrounded by the service territory of Pennsylvania Electric Company ("Penelec") and Tri-County Rural Electric Cooperative. Wellsboro does not own any high-voltage transmission facilities or generation resources.

Q. Please describe the Company's peak load characteristics.

A. Wellsboro's historic one-hour electrical load peaked at approximately 18.6 MW in January 2024, with annual electric energy purchases of approximately 97,459 MWh (including transmission losses). Our typical load factor on an annual basis is approximately 59.8%.

Q. Please describe the usage characteristics of Wellsboro's customer classes.

A. Wellsboro's customer base is primarily Residential and Small C&I, with some light manufacturing customers also present in the service territory. Our typical Residential and Small C&I customers exhibit relatively consistent usage patterns (*i.e.*, predominantly on-peak usage). The usage characteristics of our Large C&I customers vary.

Q. Do all customers in Wellsboro's territory currently share similar load profiles and service costs?

A. Yes. With limited exceptions, most of the customers in the Wellsboro territory exhibit fairly consistent load profiles, with consistent peaks experienced across the board. The exceptions may be some of our Large C&I customers, who generally may have better load factors than a typical Residential or Small C&I account.

Q. Have any of Wellsboro's customers bought supply from a third-party Electric Generation Supplier ("EGS")?

A. Yes. Historically, there has been little shopping activity in Wellsboro's territory. However, as of December 31, 2023, we have 59 accounts representing 9 customers that shop for electric supply. After we modified our procurement approach and default

service pricing structure for the larger customers in the Fourth Joint DSP, we experienced an increase in shopping by commercial/industrial accounts.

Q. Do you anticipate shopping will continue to increase during the term of the proposed Seventh Joint DSP?

A. I expect that shopping will remain at current levels or slightly decline.

SIXTH (EXISTING) JOINT DSP

Q. Please describe the Companies' existing DSP.

A. Under the Companies' current DSP, the Commission authorized Citizens' and Wellsboro to conduct a joint RFP to obtain a single wholesale supplier for the default service load in each territory. The supplier provides Load-Following FR service for each respective company's default service customers under a four (4) year contract for this supply (June 1, 2021 through May 31, 2025). The supplier serves as the PJM Load Serving Entity for the default service load. The wholesale service is priced as follows:

- Energy (as measured at the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, less kWh for customers supplied by EGSs):
  - Residential and Small C&I Default Service: One-half (1/2) of the energy component of the wholesale contract is adjusted every six (6) months based on PJM West Hub on-peak monthly forward pricing on Trigger Dates determined by the Companies; the wholesale rate formula will assume a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing for all MWh sold to customers during the twelve-month (12-month) pricing period.

The other one-half (1/2) of the energy component is composed of another twelve-month (12-month) period calculated the same way, but six (6) months later. This results in a 'laddered approach' where one-half (1/2) of the pricing is adjusted every six (6) months, while avoiding overly sharp pricing swings by relying on a twelve-month (12-month) average. The Companies use the Intercontinental Exchange ("ICE") to set the strip prices.

- Large C&I Hourly Default Service: The energy component of Hourly Priced Service ("HPS") will be the real-time hourly PJM Locational Marginal Price ("LMP") for the PJM West Hub.

- Capacity (Reliability Pricing Model, Locational Reliability, Capacity Performance)—passthrough of actual monthly costs for the default service load, without markup.
- Network Integrated Transmission Service ("NITS")—passthrough of actual monthly costs for the default service load, without markup.
- Regional Transmission Expansion Plan/Transmission Enhancement Costs ("RETP/TEC")—pass-through of actual monthly costs for the default service load, without markup.
- Supplier Adder—per-kWh charge applicable to both fixed and hourly energy supply that covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service

customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. The Supplier Adder may be different for each territory but remains fixed for the term of the wholesale contract.

Q. Why is the Supplier Adder the same for all customer classes within a service territory?

A. The Companies considered allowing wholesale suppliers to develop separate Supplier Adders for Residential/Small C&I default service load and Large C&I default service load. This option could result in more precise Supplier Adders, as the dual Adders would be contoured to the cost of serving the defined customer classes. On the other hand, allowing the wholesale suppliers to develop two Supplier Adders would significantly complicate the RFP process. With two Supplier Adders, the Companies would run the risk that an RFP could produce one bid with a lower Residential/Small C&I Adder, and a separate bid with a lower Large C&I Adder, adding complexity and uncertainty to the RFP selection process. The Companies determined that the administrative and operational inefficiencies of splitting the default service load between two wholesale suppliers outweighed any cost-of-service benefits.

Q. How do the Companies choose the wholesale supplier for each territory?

A. The suppliers bid based on the Supplier Adder, with the contract going to the lowest qualified bidder in each territory. Of course, a single supplier can serve both territories if its bids were the lowest in each. Mr. Johnson describes the bidding process in his testimony.

Q. Is the same supplier currently serving the default service load in both territories?

A. No.

Q. Can you provide the pricing of the energy component for the GSSR-1 under the Fourth, Fifth and Sixth Joint DSPs?

A. Yes. Tables showing the Wellsboro's GSSR-1 rates and blended energy component for each six (6) month period are attached as Exhibit BF-1 and Exhibit BF-2, respectively. Generally, the GSSR-1 energy prices have been fairly stable under the current procurement approach, except when wholesale market prices spiked in 2021/2022. Consistent with the Commission's End State Order, the GSSR-1 is designed to be market reflective.

Q. What other benefits have resulted from the Fourth, Fifth and Sixth Joint DSPs?

A. The last few DSPs have simplified the administration for both Companies in comparison to a portfolio approach. It enables both companies to focus our limited personnel on the PJM scheduling and the billing of customers while passing the market risks to a supplier who is positioned to manage that risk. We have fewer decisions to make during the year regarding when to trigger pricing than we would under a portfolio approach. Our credit exposure to PJM is limited to Capacity, NITS and RTEP charges and wholesale supplier exposure has been streamlined as we deal with a single supplier in each territory. Under a portfolio approach, we would have multiple wholesale suppliers and PJM that would each require credit support.

Q. How do the Companies determine when to trigger pricing?

A. We have a four and half month window to declare the pricing Trigger Date. We analyze the historic pricing to determine which months tend to show more favorable pricing. Also, we track forward market prices for 2-3 lock-in periods to understand how prices have varied over time and then incorporate market fundamentals to aide in locking a supply tranche for each company. Additional information that we monitor includes long-term weather forecasts and Natural Gas Storage activity during the injection and withdrawal periods to aide in the understanding of drivers impacting market fundamentals.

Q. Do you believe the general approach taken in the Fourth, Fifth and Sixth Joint DSP (and proposed in the Seventh Joint DSP) has been successful at encouraging a market-reflective product?

A. Yes. As I stated earlier, Capacity, NITS and RTEP/TEC are passthrough costs in the wholesale contract. Because the Commission seems to favor a per-kWh retail default service rate, we believe that having these items as fully reconcilable passthroughs for a majority of customers has alleviated some of the risk on the wholesale supplier. PJM capacity market changes and increased transmission projects that have been increasing the NITS and RTEP rates would require a Supplier to price in risk over a four year term. . We believe the passthroughs have contributed to solid wholesale supplier interest and favorable default service rates for customers. Most importantly, we believe default service customers have been well-served and provided competitive, market-reflective pricing during the Fourth, Fifth and Sixth Joint DSPs.

SEVENTH JOINT DSP

Q. Please explain the pricing schedule for the energy component of the GSSR-1 during the Seventh Joint DSP.

A. For Residential and Small C&I customers served under the GSSR-1, the energy component price will be a fixed-price energy product, subject to 6-month adjustments based on the PJM West Hub on-peak monthly forward pricing at specific dates ("Trigger Dates") selected by each Company. Upon Commission recommendation in the Fourth Joint DSP, the Trigger Dates are not fixed in advance, but the Companies have the flexibility to select favorable dates and the Companies usually try to lock supply on the same day. In the Seventh Joint DSP, the Companies propose to be able to choose a Trigger Date from a defined range of dates in order to obtain the best rate possible. The Companies are proposing the following date ranges for the Trigger Dates:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

Specifically, the energy supply rate charged by the wholesale suppliers will be calculated in two (2) parts. One-half (1/2) of the rate will be the mathematical average

of monthly on-peak per MWh strip pricing for all MWh delivered to the wholesale meter for the respective Company's Aggregate Bus during the next twelve-month (12-month) procurement period. The other one-half (1/2) of the rate will be an identical calculation but six (6) months later, thus creating a "laddered approach." For Large C&I customers, or any Small C&I customer registering a billing demand of 400 kW or above in any single billing period during the last 12 months, the energy component shall be HPS, based on the real-time PJM LMP for the PJM West Hub.

Q. Please explain the Companies proposed change to the trigger process.

A. Currently, we provide the wholesale supplier for the applicable territory with notice one day ahead of our desire to trigger pricing for the territory. We are proposing to change the trigger to a same day process. Specifically, Citizens' or Wellsboro will provide its wholesale supplier with notice by 3:00 pm EPT of the desire to trigger the price. The supplier will lock the price based on the market closing index results that day.

Q. Why are you proposing this change?

A. This change will mitigate the likelihood that the price will change between the time when we make the trigger decision and the lock-in. Under most situations the wholesale commodity prices will remain reasonably stable. However, during the Natural Gas price movement in 2022 the electric prices moved in lock step based on the marginal generation fuel being fed by natural gas. We were seeing daily price movements of a few dollars which makes it important to be able to lock when we are ready to trigger versus placing a trigger order and then having to wait a day later to lock supply. As long as we trigger before 3:00 pm of the day we want to execute this

will enable the wholesale supplier to lock the supply request on the same day without absorbing any execution risk.

Q. Will the Companies need a Congestion Management Plan or an AEPS Procurement Plan?

A. No. Congestion costs, including the associated rights to Auction Revenue Rights and Financial Transmission Rights, and AEPS procurement obligations, for all energy delivered to the Companies, are assumed by the wholesale suppliers. The Companies will not prescribe the specific policies and strategies to be utilized by the wholesale suppliers in meeting their obligations. Such matters will be within the discretion of each wholesale supplier. The principal objective of including these costs in the Supplier Adder is to fix the rates charged to default service customers and transfer the procurement risk to the wholesale suppliers, who are in turn permitted to incorporate their costs in the Supplier Adder. The Companies will remain responsible for the Compliance filing to meet the AEPS obligations for each company. The AEPS Compliance is demonstrated for each Energy Year "EY" (i.e. – June 2023-May 2024) by Company.

Q. How will the wholesale suppliers transfer Alternative Energy Credits ("AECs") to the Companies?

A. The wholesale suppliers will procure the requisite AECs and assign the AECs to the Companies via the Generation Attribute Tracking System ("GATS").

Q. Have the Companies developed a contingency plan for a supplier default?

A. Yes. If a selected wholesale supplier fails to deliver energy supply as contracted, the affected Company, or Companies, will implement an interim contingency plan

relying on its status as a PJM member. The Company will obtain replacement supply through the PJM monthly forward and/or spot markets and pay all ancillary service, capacity and transmission costs on a fully reconcilable basis. While meeting default service obligations using the PJM market, the impacted Company would also contact other entities that responded to the original RFPs to assess interest in assuming the non-performing wholesale supplier's obligations at the price, terms and conditions in place at the time of default. If no wholesale suppliers are willing to assume the contract terms, then the Company will develop and submit a further contingency plan to the PUC within 14 days of the initial delivery failure, as required by the Commission's Order on the Fifth Joint DSP. We also will recover any costs of the spot market procurements over 12 months, as stated in the same Order.

Additionally, in the event that the initial 2025 RFPs fail to yield qualified bids, the Companies would adopt the same procedure. In the third quarter of 2025, the Companies would attempt a new solicitation for service starting January 1, 2026.

Q. Compare the Load-Following FR approach utilized by the Fourth, Fifth and Sixth Joint DSPs to the prior portfolio approach.

A. Both approaches have advantages and disadvantages. The Load-Following FR approach is more consistent with the PUC's policy set forth in the End State Order, exposes Citizens', Wellsboro and the default service customers to less financial risk, and is easier for the Companies to administer. This procurement plan transfers congestion management and AEPS procurement obligations from the Companies to wholesale suppliers and incorporates a 6-month pricing and reconciliation period. The Companies must make a single decision each six months regarding when to

trigger pricing, as opposed to multiple decisions for a portfolio. Based on our size, this reduces the administrative burden on the Companies.

Q. How many customers are currently on the hourly price option?

A. We have three accounts that meet the 400 kW threshold and all are HPS accounts.

Q. Is 400 kW the appropriate threshold for HPS in Wellsboro's territory?

A. Yes.

Q. If the threshold were reduced to 100 kW, how many accounts would be eligible for hourly priced service?

A. **22 accounts**

Q. Has the current procurement approach produced just and reasonable default service rates?

A. Yes. For the GSSR-2 customers, the hourly rates reflect actual energy, transmission and capacity costs as determined by the PJM Markets. We compiled a chart showing our GSSR-1 rates since 2016, which is attached as Exhibit BF-1.

Q. Do you have any comments regarding the non-energy components of the GSSR-1?

A. Yes. We see variability in the non-energy components of the GSSR-1 rates that are pass through costs under the current procurement approach (i.e., capacity, transmission, and RTEP). Those costs are determined by the PJM Markets and FERC tariffs. I would add that those costs were also pass through costs under the portfolio approach, so the change in the procurement approach did not impact this issue.

Q. Do you expect any significant changes in the pass-through costs in the upcoming year?

A. Yes. Wellsboro's transmission costs will be increasing in the upcoming years and becoming more variable due to Penelec transferring its transmission facilities to the Mid-Atlantic Interstate Transmission Company ("MAIT"). PJM in conjunction with Transmission Owners (TO's) have been driving upgrades to the bulk power system to ensure power can flow as generation is retired and aging infrastructure is upgraded to handle new EV, Solar and DER interconnections. There is significant uncertainty in PJM with regard to Capacity market changes and subsequent pricing impacts. The FERC approved a formula transmission rate for MAIT. PPL Electric Utilities, which serves Citizens', also has a formula rate. We also see considerable variability in RTEP costs. Increased transmission projects as required by PJM have been increasing the NITS and RTEP costs for the MAIT and PPL Zones.

Q. Could the Companies avoid this volatility by including transmission and the other pass-through costs in the Supplier Adder?

A. Theoretically, yes; however, this would increase the adder because the wholesale supplier would take on the volatility risk. In addition, some bidders may be unwilling to participate if they cannot accurately project and model those cost elements. Currently, there were filings from PJM to FERC and underlying discussions with PJM members about capacity market changes. This has introduced risk into the Market that is better handled by the Companies as a pass-through. As a result, we believe it is preferable to maintain the transmission and capacity costs as pass through costs.

ELECTRIC VEHICLES

Q. The Commission's recent Secretarial Letter at Docket No. M-2019-3007102 directed parties to address the adoption of time of use rates for Electric Vehicle Charging. Please discuss the Companies' views on this issue.

A. The Companies are actively monitoring issues related to Electric Vehicles. Because the Companies do not have a time of use rate option for residential and small commercial customers, we do not propose to implement one at this time. We will monitor what the larger EDCs propose in their upcoming DSPs.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:	
Electric Company of Lewisburg, PA and	: Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:	P-2024-
of June 1, 2025 Through May 31, 2029	:	

EXHIBITS

OF

BYRON (BARNEY) FARNSWORTH JR

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

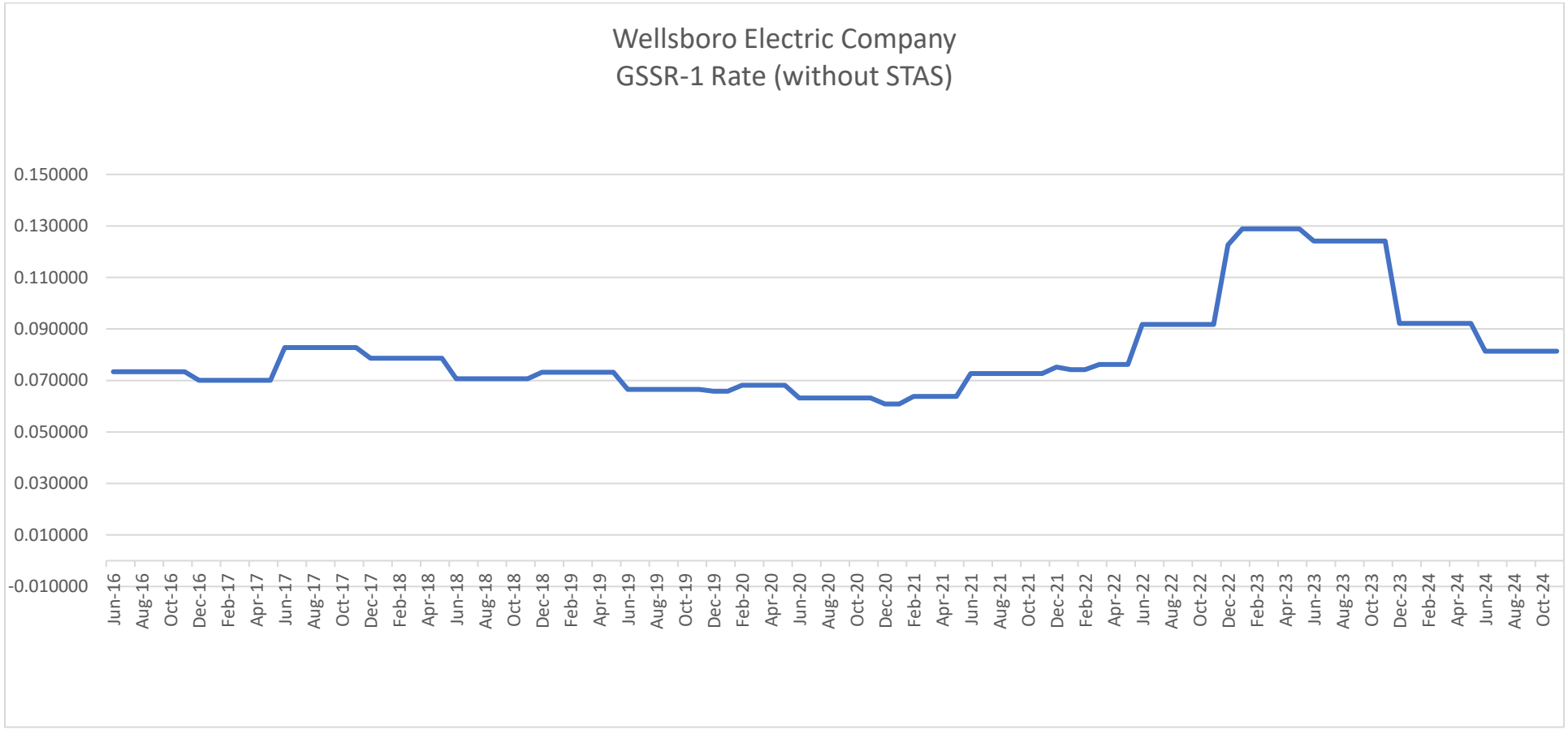

Wellsboro Electric Company
GSSR-1 Rate (without STAS)
0.150000
0.130000
0.110000
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0.030000
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-0.010000
Jun-16
Aug-16
Oct-16
Dec-16
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Exhibit BF-2
Exhibit NJ-2

GSSR -1 Energy Component
June 2016-Present

GSSR APPLICATION PERIOD	(WECO) ENERGY COMPONENT ($/MWh)	(CECO) ENERGY COMPONENT ($/MWh)
6/1/16 to 11/30/16	39.36	39.36
12/1/16 to 5/31/17	40.18	40.18
6/1/17 to 11/30/17	39.17	39.17
12/1/17 to 5/31/18	38.45	38.45
6/1/18 to 11/30/18	36.11	36.11
12/1/18 to 5/31/19	38.44	38.44
6/1/19 to 11/30/19	39.34	39.34
12/1/19 to 5/31/20	36.76	36.76
6/1/20 to 11/30/20	33.59	33.59
12/1/20 to 5/31/21	33.24	33.24
6/1/21 to 11/30/21	32.19	32.19
12/1/21 to 5/31/22	36.66	36.66
6/1/22 to 11/30/22	54.82	54.82
12/1/22 to 5/31/23	81.96	81.96
6/1/23 to 11/30/23	84.95	85.81
12/1/23 to 5/31/24	62.51	63.37
6/1/24 to 11/30/24	49.84	49.84
12/1/24 to 5/31/25		

CW Statement No. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

DIRECT TESTIMONY

AND EXHIBITS

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2025 Through May 31, 2029	**:**	**Docket Nos.: P-2024- P-2024-**

DIRECT TESTIMONY OF NATE JOHNSON
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA, AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Nathan (Nate) Johnson. My business address is 1775 Industrial Boulevard, Lewisburg, Pennsylvania, 17837.

Q. By whom are you employed and what position do you hold with Citizens' Electric Company of Lewisburg, PA?

A. I am employed by C&T Enterprises, Inc. ("C&T"), and assigned to Citizens' Electric Company of Lewisburg, PA ("Citizens"'), as the President and Chief Executive Officer ("CEO").

Q. What are your duties in that capacity?

A. My duties are to lead and provide general management to Citizens'. I am also responsible for power supply and regulatory issues.

Q. Please describe your educational background and professional background.

A. I have a bachelor's degree in electrical engineering from Bucknell University. I joined Citizens' as the Senior Director of Engineering and Operations in 2018. I served as the Vice President of Engineering and Operations from 2020 through 2023. In 2023, I became President and Chief Executive Officer. Prior to joining Citizens', I held various technical and supervisory roles in distribution engineering and operations with PPL

Electric Utilities in central Pennsylvania. In addition to my degree from Bucknell, I am a graduate of the National Rural Electric Cooperative Association's Robert I. Kabat Management Internship Program at the University of Wisconsin at Madison. I am a licensed professional engineer in the state of Pennsylvania.

Q. Please describe the purpose of your testimony.

A. My testimony provides a general overview of Citizens', its service territory, and its customer base. I also will describe the Joint Default Service Plan ("DSP") that we have developed with Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies"). Our Seventh Joint DSP includes a procurement plan that obtains default service supply through Load-Following, Full Requirements ("FR") contracts with wholesale suppliers. I will explain the bidding process to choose the wholesale supplier(s). I will address how the proposed plan satisfies the Pennsylvania Public Utility Commission's ("PUC" or "Commission") policies and regulations, including the Commission's "End State Order" addressing DSPs for the period after May 31, 2015. *Investigation of Pennsylvania's Retail Electricity Market: End State Default Service*, Docket No. I-2011-2237952, 303 P.U.R. 4th 28 (Feb. 15, 2013) ("End State Order"). Finally, I will describe how the Companies' DSP meets the "Prudent Mix" requirement in the Public Utility Code.

LOAD CHARACTERISTICS & SHOPPING

Q. Please provide a brief overview of Citizens' and its service territory.

A. Citizens' is an investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Commission operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County, Pennsylvania. Citizens' service territory is

surrounded by PPL Electric Utilities Corporation ("PPL"). Citizens' owns no high-voltage transmission facilities or generation resources. As of December 31, 2023, Citizens' served 5,945 residential customers and 1,198 commercial, industrial and lighting customers, for a total of 7,143 customers.

Q. Please describe the Company's peak load characteristics.

A. Citizens' is a winter-peaking utility. Citizens' historic one-hour electrical load peaked at approximately 52 MW. Its summer peak was approximately 38 MW with annual electric energy wholesale purchases of approximately 106,000 MWh for calendar year 2023. The current load factor on an annual basis is approximately 48%.

Q. Does Citizens' have hourly data for individual customers?

A. Yes. Citizens' Advanced Metering Infrastructure provides actual hourly consumption data for all customers. This data is used to reconcile our shopping customer accounts.

Q. Do the average customers within Citizens' customer classes exhibit similar load characteristics?

A. Yes. The majority of our customers are Residential and Small Commercial and Industrial ("C&I") establishments. Based on my experience with the Citizens' system, these customers tend to show similar usage characteristics (*i.e.*, high use of electricity during on-peak periods, lower usage overnight during off-peak periods). Although some of the larger accounts operate 24 hours a day, they also tend to show higher usage during on-peak periods when heating and cooling is required. We do not have any noteworthy heavy manufacturing that would operate at a significantly higher load factor.

Q. Do any of Citizens' customers shop for generation supply service with Electric Generation Suppliers ("EGSs")?

A. Yes. Historically, we had a handful of accounts that shopped immediately following restructuring. Then, we had no shopping accounts for a long time. However, during late 2013 and 2014, Muirfield Energy, Inc., started soliciting Large C&I accounts in the Citizens' service territory to take retail electric supply service. By June 1, 2014, 24 Large C&I accounts had begun shopping, representing 17.5% of Citizens' total annual sales. Notably, Citizens' completed its implementation of Electronic Data Interchange ("EDI") in April 2016. On June 1, 2016, we implemented the revised default service products that the Commission approved in the Fourth Joint DSP. As a result, the default service price for customers that exceed 400 kW is an hourly product. As of March 31, 2024, 70 total accounts are shopping, including 38 (or 95%) of our Large C&I customers.

Q. Do you think that Large C&I shopping within the service territory will continue to increase?

A. I anticipate that shopping will remain consistent near current levels.

Q. Have Citizens' default service rates been stable and reasonable using the current procurement approach?

A. Yes. Attached as Exhibit NJ-1 is a table showing our GSSR-1 rates since 2016. The current procurement approach started in June 2016. Our rates have been very stable since then, except during periods when the wholesale energy markets spiked. The energy component of the GSSR-1 has been stable using the current approach, as shown on Exhibit NJ-2.

RFP PROCESS FOR SEVENTH JOINT DSP

Q. Please describe the RFP document and process for the Seventh Joint DSP.

A. The Companies propose to use the RFP documents and a process that are very similar to our 2015, 2016, 2018 and 2021 RFPs.

We will issue a short RFP describing the requested wholesale product and the process in January 2025. The draft document is attached as Exhibit NJ-3.

We will send it to various wholesale suppliers, and also publish an advertisement in Platts Energy Trader.

Entities that are interested in viewing the customer load data and other information must submit a Notice of Intent to Participate, a Confidentiality Agreement and the Prequalification Documents (listed in Appendix C of the RFP).

We anticipate that we will make the data available on a secure website for the RFP. The bidders also receive a copy of the Supplier Master Agreement, which is attached as Exhibit NJ-4. This SMA is based on the contract developed by the Commission's working group, with some changes to reflect the unique product that the Companies use.

Q. Why are wholesale suppliers required to submit a preliminary bid?

A. The preliminary bids provide wholesale suppliers with an opportunity to submit supplier-specific requests regarding the SMA, and to enable the suppliers to "test" their modeling for the final bids. The preliminary bid includes an indicative bid for the Supplier Adder, any supplier-specific credit requirements, and any proposed modifications to the SMA (provided that such proposed modifications are not

inconsistent with any terms approved in this proceeding). This is consistent with the process used under the Fourth, Fifth and Sixth Joint DSPs.

Q. What kind of credit requirements would the Companies accept from wholesale suppliers?

A. The Companies are willing to conduct additional discussions to determine the appropriate credit requirements. As a potential solution, the Companies are prepared to post a line of credit of up to 1.5x the highest anticipated monthly bill in a pricing period, less a collateral threshold (i.e., the amount of unsecured credit that a wholesale supplier is willing to extend to the respective Company). This credit facility would presumably cover the wholesale suppliers' credit exposure for potential non-payment.

Q. Have you developed a proposed schedule?

A. Yes. The RFP includes the schedule as Appendix B. To minimize transaction costs, the Companies do not intend to retain a third-party agency to conduct the RFPs or review submitted bids. Relying on experience with other procurement processes, the Companies propose to conduct separate sealed-bid RFPs for each service territory. The Companies have developed a prequalification process for evaluation of wholesale suppliers' credit and technical qualifications. Any nonconforming bids will be rejected. For scheduling purposes, the following key deadlines will apply:

Proposed RFP Schedule	
Dec. 2024	PUC Order Approving DSP
Jan. 27, 2025	RFPs Issued
Mar. 24, 2025	Supplier Bids Due by 10:00 AM EPT

Mar. 25, 2025	Confidential Summary of Bid Results Submitted to PUC Bureau of Audits and Bureau of Technical Utility Services by Noon, with Recommendation of the Wholesale Supplier to be Awarded Contract for Each Territory; Companies shall, on the Same Day, also Provide Preferred Suppliers with Confidential Notice of the Tentative Selection.
Mar. 27, 2025	PUC Issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if No Action by PUC, then Recommendations Shall be Deemed Accepted.

If the Parties are able to reach a settlement that the PUC can approve prior to December, the Companies would accelerate the schedule; conversely, if the Commission's approval occurs after December, the Companies will adjust the RFP issuance date.

Q. Once one or more wholesale suppliers complete the bidding process and earn a recommendation from the Companies, how will the selected wholesale suppliers and the Commission be notified?

A. The Companies' selection will remain a tentative recommendation pending Commission approval. On bid day, the Companies will provide confidential written notice to the wholesale suppliers tentatively selected to serve each service territory. The tentative notice will clearly state that final confirmation is subject to Commission approval, which, under the proposal schedule, shall occur no later than March 27, 2025. On March 25, 2025, the Companies will confidentially notify the Commission's Bureau of Audits and Bureau of Technical Utility Services of the bid results, including each Company's recommended selection. Consistent with the deadline for Commission approval of the Companies' recommendation, all wholesale supplier bids shall expire at midnight EPT on March 27, 2025, unless the Companies issue a prior notice of rejection to any wholesale supplier. If the PUC does not act by close of business on

March 27, 2025, the recommendations shall be deemed to have been accepted and the Companies will proceed with executing the contracts.

Q. Will the selected wholesale supplier have discretion to design a specialized supply portfolio?

A. Yes. The proposed procurement plan requires the wholesale suppliers to deliver the product specified in the RFP, but the suppliers reserve discretion to design the supply portfolio that is required to deliver our product.

Q. Are the Companies proposing a minimum bidder requirement for the Seventh Joint DSP?

A. No. The Companies now have experience with four RFPs that included eleven (11) total final bids for each territory. The costs included in the Supplier Adder are relatively stable in the PJM Markets. We believe that the prior bids and historic PJM data can be used in conjunction with future RFPs as an indication of whether the bids we receive are appropriate.

END STATE ORDER

Q. Are you familiar with the requirements of the Commission's End State Order?

A. Yes. I understand that the Commission's End State Order established several guidelines generally intended to transition EDCs toward more market reflective default service products. The principal directives to EDCs from the End State Order are as follows:

- Retain default service provider obligations
- Develop market-reflective rate changes and reconciliations
- Develop DSPs for two-year periods

- Provide hourly priced service ("HPS") for any customers with a registered peak demand at or above 100 kW and interval metering
- Support Accelerated Switching (Seamless Moves and Instant Connects)

Q. Does the proposed Seventh Joint DSP meet the directives in the End State Order?

A. In principle, yes. As with the last DSP, the Companies are requesting waivers of certain provisions from the End State Order to contour certain directives to the circumstances of smaller EDCs. To that end, the Companies request leave to: (1) establish a four-year DSP for the period June 1, 2025, through May 31, 2029; and (2) offer HPS only to Large C&I customers registering a peak demand at or above 400 kW at least one time in the preceding 12 billing periods. These waivers are similar to those that were approved by the Commission for the Fourth, Fifth and Sixth Joint DSPs.

Q. Why are the Companies proposing a four-year term through May 31, 2029, for the proposed DSP?

A. There are four principal reasons justifying the proposed four-year term. First, smaller EDCs operate with limited personnel resources. Designing and implementing default service plans requires a significant time investment for the Companies' leadership and staff. A two-year DSP period would require the Companies to begin preparation for the next DSP almost immediately upon receiving Commission approval of the DSP. This process results in an inefficient use of Company resources and an ineffective use of ratepayer revenue.

Second, the proposed four-year term will benefit ratepayers by extending the amortization period for recovery of costs incurred to prepare and litigate the Seventh Joint DSP and the costs of administering the 2025 RFP process. As these costs would

remain relatively flat whether incurred in preparation of a two-year plan, a three-year plan or a four-year plan, ratepayers would be better served by spreading out the amortization over a four-year plan. A three-year term was approved in the Fourth and Fifth Joint DSPs and a four-year term was approved for the Sixth Joint DSP which has worked well for the Companies and ratepayers. We believe that a four-year plan will enhance those benefits.

Third, the Companies are significantly smaller than most other EDCs operating in Pennsylvania and lack the economies of scale available to large EDCs. Accordingly, certain default service regulations and policies developed by the Commission may be feasible for larger EDCs, but less than ideal for the smaller EDCs. The Commission has previously addressed such situations by granting waivers where appropriate. In this situation, I believe that affording the Companies an extended opportunity to study the evolution of default service models developed by larger EDCs would help Citizens' and Wellsboro design more innovative solutions for future DSPs.

Fourth, I am advised by counsel that the Commission has, on various occasions, approved default service plans for EDCs of three or more years in duration, including our Sixth Joint DSP.

Q. Why do the Companies seek waiver of the Commission's suggestion to provide HPS for customers with a registered peak demand at or above 100 kW?

A. In service territories with more mature competitive retail markets, the 100 kW demarcation for HPS may be appropriate because any affected customers dissatisfied with HPS can take advantage of fixed price offers from competitive retailers. Although shopping has increased, customers with peak demands below 400 kW may have limited

options beyond default service. To provide more stable pricing for customers with registered peak demands between 100 kW and 400 kW, the Companies propose to implement a more moderate 400 kW peak demand threshold for HPS.

Q. How many accounts meet the 100 kW or 400 kW threshold?

A. Citizens' has seven accounts that meet the 400 kW threshold, while 47 accounts (inclusive of those exceeding 400 kW) exceed the 100 kW threshold.

Q. Are there any other considerations related to the requested 400 kW peak demand threshold for HPS?

A. Yes. The Companies are proposing the 400 kW peak demand threshold with the expectation that competitive retail will continue to remain available to Large C&I customers in the service territories. If competitive supply becomes widely unavailable for such customers for an extended period of time, the Companies reserve the right to propose mid-course modifications to the Seventh Joint DSP as necessary to ensure reasonable price stability for the Large C&I customers.

Q. Aside from the requested waivers, how does the Seventh Joint DSP provide a more market-reflective default service product consistent with the End State Order and the Commission's Default Service Regulations?

A. With the waivers in place, the Load-Following FR contract terms set forth in the RFP require any wholesale suppliers serving the Companies to offer default service products featuring energy components tied to objective market indices.

Q. Do you believe that the proposed Seventh Joint DSP, with requested waivers, is in compliance with the Public Utility Code, the Commission's regulations and the End State Order?

A. Yes. While I am not an attorney, I believe that the Seventh Joint DSP, as proposed, is in compliance with the letter and the spirit of the Customer Choice Act, as amended by Act 129, and the Commission's default service regulations, 52 Pa. Code §§ 54.181 *et seq.*, the Policy Statement on Default Service, 52 Pa. Code §§ 69.181 *et seq.*, and the End State Order.

As I understand the Companies' default service obligations, the Competition Act, as amended by Act 129, sets forth guidelines for the procurement of electricity by default service providers, requiring in part that a "prudent mix" of spot market, short-term contracts, or long-term contracts (between four years and twenty years) be procured. *See* 66 Pa. C.S. § 2807(e)(3.2); *see also* 66 Pa. C.S. §§ 2801 *et seq*. This directive was refined by the End State Order, which instructed EDCs to replace longer term products with market-reflective products. I believe that the proposed Seventh Joint DSP provides a "prudent mix" with respect to Citizens' and Wellsboro's load profile given the four-year Supplier Adder and the dual application of fixed-price supply for laddered 12-month periods and HPS.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

EXHIBITS TO DIRECT TESTIMONY

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

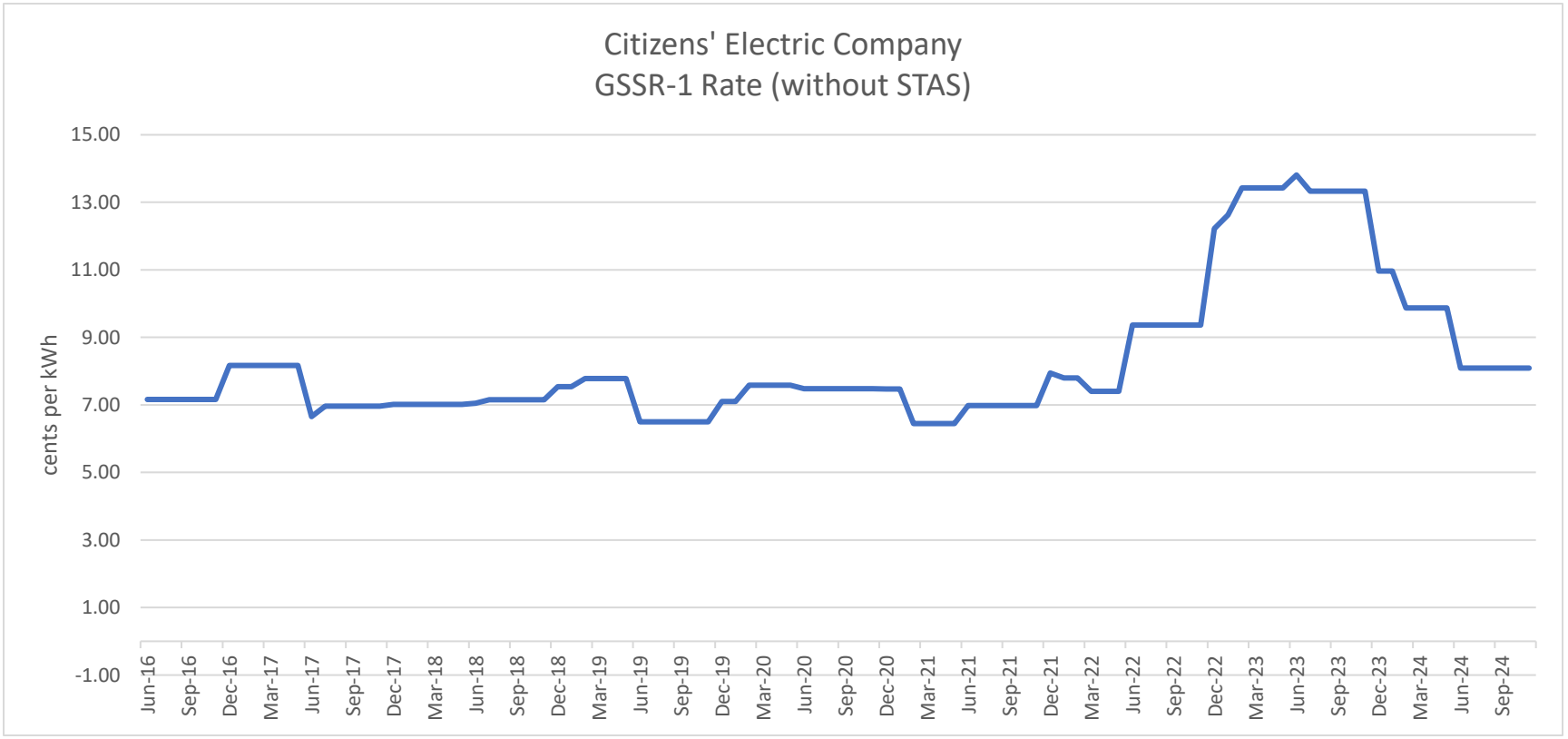

Citizens' Electric Company
GSSR-1 Rate (without STAS)
cents per kWh
15.00
13.00
11.00
9.00
7.00
5.00
3.00
1.00
-1.00
Jun-16
Sep-16
Dec-16
Mar-17
Jun-17
Sep-17
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Sep-24

Exhibit BF-2
Exhibit NJ-2

GSSR -1 Energy Component
June 2016-Present

GSSR APPLICATION PERIOD	(WECO) ENERGY COMPONENT ($/MWh)	(CECO) ENERGY COMPONENT ($/MWh)
6/1/16 to 11/30/16	39.36	39.36
12/1/16 to 5/31/17	40.18	40.18
6/1/17 to 11/30/17	39.17	39.17
12/1/17 to 5/31/18	38.45	38.45
6/1/18 to 11/30/18	36.11	36.11
12/1/18 to 5/31/19	38.44	38.44
6/1/19 to 11/30/19	39.34	39.34
12/1/19 to 5/31/20	36.76	36.76
6/1/20 to 11/30/20	33.59	33.59
12/1/20 to 5/31/21	33.24	33.24
6/1/21 to 11/30/21	32.19	32.19
12/1/21 to 5/31/22	36.66	36.66
6/1/22 to 11/30/22	54.82	54.82
12/1/22 to 5/31/23	81.96	81.96
6/1/23 to 11/30/23	84.95	85.81
12/1/23 to 5/31/24	62.51	63.37
6/1/24 to 11/30/24	49.84	49.84
12/1/24 to 5/31/25		

REQUEST FOR PROPOSAL
FULL REQUIREMENTS SUPPLY SERVICE
FOR CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA
AND WELLSBORO ELECTRIC COMPANY

JANUARY XX, 2025

I. INTRODUCTION

Through this Request for Proposals ("RFP"), Citizens' Electric Company of Lewisburg, PA ("Citizens'") and Wellsboro Electric Company ("Wellsboro") (collectively "Companies") seek proposals to provide full requirements wholesale supply necessary to serve their retail Default Service Provider ("DSP") customers. The Companies invite qualified wholesale electric generation suppliers ("Suppliers" or "Supplier") to submit their qualifications and proposals to provide either or both of the Companies with firm electricity supply service (i.e., load-following firm energy including applicable losses, Alternative Energy Portfolio Standards ("AEPS") compliance, and ancillary services) for the period from June 1, 2025 through May 31, 2029, with Network Integrated Transmission Service ("NITS"), Reliability Pricing Model Auction ("Capacity"), and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") costs as a passthrough of PJM charges. All proposals will be evaluated based on the criteria within this RFP to determine which Suppliers' or Supplier's proposal best satisfied Citizens' and Wellsboro's objectives.

II. CITIZENS' BACKGROUND

Citizens' is an investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Pennsylvania Public Utility Commission ("PUC") operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County and West Chillisquaque Township in Northumberland County, Pennsylvania. Citizens' service territory is surrounded by PPL Electric Utilities Corporation ("PPL"). Citizens' owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Citizens' serves approximately 5,945 residential customers and 1,198 commercial and industrial customers. Citizens' currently has a PUC-approved wholesale

supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Citizens' seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Citizens' connects to PPL's system with two supply lines at 69 kV bus terminals at the Citizens' St. Mary's substation. Citizens' has a pricing point at PJM that is designated as the Citizens' Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Citizens' and PJM to ensure that the wholesale supply necessary to serve Citizens' customers is delivered to this point.

Citizens' is a winter-peaking utility. Citizens' historical electrical load for winter peaked at approximately 52 MW in February of 2015. These peak loads include coincident output from a behind the meter, customer owned cogeneration facility (5.5 MW coincident with the 2015 system peak and an all-time peak of 6.7 MW in 2014). Actual delivered peak loads to Citizens' bus were 46.4 MW and 43.4 MW respectively. Excluding energy supplied by EGS's, Citizens' default energy purchases were 117,788 MWh in 2023 and 138,433 MWh in 2022. Based on total energy delivered and peak load delivered, Citizens' current load factor on an annual basis is approximately 48%. Upon execution of a Confidentiality Agreement, Citizens' will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Citizens' website at *www.citizenselectric.com.*

III. WELLSBORO'S BACKGROUND

Wellsboro is an investor-owned EDC under the jurisdiction of the Pennsylvania PUC operating in Wellsboro Borough, Charleston, Delmar and Middlebury Townships in Tioga County, Pennsylvania. Wellsboro's service territory is surrounded by Pennsylvania Electric

Company ("Penelec") and Tri-County Rural Electric Cooperative. Wellsboro owns no high-voltage transmission facilities or generation resources.

As of December 31, 2023, Wellsboro served 5,155 residential customers and 1,301 commercial and industrial customers. Wellsboro currently has a PUC-approved wholesale supply acquisition plan to obtain the supply it needs, which terminates on May 31, 2025. Wellsboro seeks, through this RFP, bids to become its wholesale supplier as of June 1, 2025.

Wellsboro connects to Penelec's system with a single 115 kV line at the Wellsboro substation. Wellsboro has a pricing point at PJM that is designated as the Wellsboro Aggregate. The prices conveyed in wholesale Suppliers' bids should include all costs and losses necessary to deliver the wholesale electric supply to this delivery point. Interested bidders should be prepared to coordinate with Wellsboro, Penelec and PJM to ensure that the wholesale supply necessary to serve Wellsboro's customers is delivered to this point.

Wellsboro's historical electrical load for winter 2023/2024 peaked at approximately 18.6 MW in January of 2024, with a historical peak load for winter 2022/2023 of approximately 19.7 MW in December 2022. Wellsboro's system energy purchases were 97,458 MWh for calendar year 2023 and 101,458 MWh for calendar year 2022. The current load factor on an annual basis is approximately 59.8%. Upon execution of a Confidentiality Agreement, Wellsboro will make available historical data for Supplier's use in determining pricing for this RFP. Additional background information is available on Wellsboro's website at *www.wellsboroelectric.com.*

IV. SCOPE OF SERVICES

The Companies are subject to regulation by the Pennsylvania PUC and must provide DSP electricity supply services to customers within their service territories in accordance with PUC regulations. On December 3, 1996, Pennsylvania Governor Thomas Ridge signed the Electricity

Generation Customer Choice in Competition Act ("Competition Act"). The Competition Act provides all retail electric customers with the right to obtain electricity supply from an alternate Electric Generation Supplier ("EGS") rather than their certificated EDC. Despite this direct access right, the Competition Act also established DSP service to be made available to retail customers who have not elected to receive electricity supplies from an EGS. DSP generation service is available to customers who do not choose to obtain generation supply from an EGS, who cannot find an EGS, whose chosen EGS fails to provide service, or who have purchased supply from an EGS and returned to DSP service. The Companies have retained the obligation to provide DSP service to customers within their service territories and anticipate remaining as the DSP through the duration of any contracts executed as a result of this RFP. The Commission has approved a formula to calculate the Companies' respective retail DSP rates. To date, Citizens' and Wellsboro's customers have expressed some interest in obtaining service from EGSs; however, this interest has been focused on larger commercial accounts.

The wholesale supply service requested in this RFP includes all energy, ancillary services, losses, NITS, Capacity, RTEP, AEPS and other costs necessary to provide a secure, reliable source of energy to the Companies to meet their respective load obligations. The objective of this RFP is to solicit, evaluate, and select one supplier that can provide firm, full requirements, load-following wholesale electricity generation services necessary for each territory; however, if a single supplier is the lowest bidder in both territories, then that single supplier may be awarded both contracts.

The selected Supplier(s) must provide sufficient energy to meet its supply obligations (defined as the Companies' actual DSP load requirement, including all losses)[1] on a 7x24 basis. The Supplier(s) may provide such services from any source, provided that all applicable PJM requirements are met. The Companies will be obligated to take from the supplier(s) the energy required to serve their DSP load and will use the energy exclusively to satisfy their DSP requirements. The Supplier(s) will be responsible for all load variability, including variability due to weather, usage changes, customer migration and customer decisions to obtain electricity supply from an EGS. The Supplier(s) will serve as the Load Serving Entity for the respective Company's(ies') DSP service.

For purposes of this contract, Citizens' and Wellsboro's DSP customers will be split into two classes. Customers in each territory with demands of 400 kW or more will be offered hourly DSP service. Customers in each territory with demands below 400 kW will be offered fixed price DSP service that changes every six months based on the PJM West Hub on-peak forward pricing strip at the trigger date. The Supplier(s) will compete through bids on a Supplier Adder that will be added to the strip price or PJM West Locational Marginal Price ("LMP") (plus the passthrough items and taxes) to produce the retail DSP rates. The Supplier Adder will remain fixed for the four-year term and should reflect all risks and costs except Capacity, NITS and RTEP. Those risks include variability between the actual prices and forward strip price used to develop the retail DSP rate. The same Supplier Adder will apply to the hourly DSP service for customers with demand of 400 kW or larger.

[1] The Companies' actual DSP load requirement will be defined to be net of: (1) any capacity and/or energy that they are required to purchase from any Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act of 1978; (2) the capacity and energy requirements of customers that are served from their co-generation or other behind the meter facilities that operate in parallel with the Companies' system; and (3) the capacity and energy requirements of customers that are served by an EGS. One QF is located within Citizens' service territory. The Companies have various additional customers with existing or planned behind the meter generation. More information will be provided to suppliers who participate in the RFP.

Attached as Appendix A is a "Scope of Obligation" describing the desired wholesale product, the billing and payment provisions and other key terms of the RFP.

V. BID INFORMATION FORMAT

The Companies seek bids for a four-year term with service starting on June 1, 2025.

The Companies request that suppliers submit bids on an all-in cent per kWh Supplier Adder for all load. Citizens' DSP load requirement as measured at the Citizens' Aggregate Bus. Wellsboro's DSP load requirement as measured at the Wellsboro Aggregate Bus. The prices should not include any Gross Receipts Tax or Sales Tax. Preliminary responses are due by March 10, 2025, and should include an indicative bid, any changes to the appendices in the Pennsylvania Universal Supplier Master Agreement, and credit expectations. The Companies propose to each provide a Letter of Credit for each pricing period equal to the difference between (a) 1.5 times the highest anticipated monthly invoice for the pricing period and (b) the unsecured collateral threshold agreed to between the parties based on the respective Company's financial condition. Collateral Thresholds and a Mark-to-Market Mechanism for the wholesale supply obligation should be proposed by each Supplier in its indicative bid. The Companies will engage in contract and credit negotiations with interested bidders between March 10, 2025, and the Final Bid Date of March 24, 2025. Final Bids must be submitted by 10 AM Eastern Prevailing Time on March 24, 2025. A supplier may bid on either territory or both territories (specifying the Supplier Adder for each), however, they must serve both the Fixed and HPS classes for each respective Company. E-mail proposals will be accepted; however, the bidder bears the risk of any failure or errors in delivery whether due to the operation of the bidder's equipment or the Companies' equipment. Facsimile proposals will not be accepted. Bids should be submitted to the following individuals:

Nate Johnson
President & Chief Executive Officer
Citizens' Electric Company
of Lewisburg, PA
1775 Industrial Boulevard
Lewisburg, PA 17837
johnsonn@citizenselectric.com

Byron Farnsworth Jr.
President & Chief Executive Officer
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901
barneyf@ctenterprises.org

Adeolu A. Bakare, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com

Pamela Polacek, Esquire

C&T Enterprises, Inc.

ppolacek@ctenterprises.org

VI. INQUIRIES AND RESPONSE

The Companies will entertain reasonable requests for further information or clarification regarding this RFP. Inquiries or questions regarding Citizens' should be directed to Nate Johnson (570) 522-6141/johnsonn@citizenselectric.com or Adeolu Bakare at (717) 237-5290/ abakare@mcneeslaw.com. Inquiries or questions regarding Wellsboro should be directed to Byron Farnsworth Jr. at (570) 724-6701/barneyf@ctenterprises.org or Adeolu Bakare at (717) 237-5290/abakare@mcneeslaw.com.

VII. RESERVED RIGHTS

The Companies, without qualification and at their sole discretion, reserve the right to take any of the following actions: (1) withdraw and terminate this RFP at any time prior to the execution of the Supplier Master Agreement; (2) reject or accept bids for any reason or to waive any informality or technicality in bids received; (3) modify or waive the process or any of the criteria described in this RFP; (4) reject or refuse to evaluate bids received for failure to meet any criteria described in this RFP; and/or (5) reject or refuse to evaluate any bids that are incomplete, inaccurate, conditional, non-specific or not in conformance with the requirements of this RFP.

The Companies will not be liable or responsible to any bidder or third party for an exercise of their rights under this paragraph.

In addition, the Companies make no representation or warranty as to the accuracy of information provided as part of this RFP including load forecasts. This RFP and any information provided by the Companies as part of this process are provided to assist interested parties in making an evaluation of the proposed transaction but do not purport to contain all of the information that bidders may require. Interested parties should conduct their own independent investigations and analyses to form their opinions as to whether to participate in the proposed transaction. Any discussion of tariff requirements, legislation or regulation is provided for convenience, and no representation is made that this RFP or any information conveyed as part of this process provides a complete explanation of tariff requirements, legislation or regulations.

APPENDIX A

SCOPE OF OBLIGATIONS

REQUEST FOR PROPOSALS

CITIZENS'/WELLSBORO
DEFAULT SERVICE PLAN
FOR JUNE 2025 – MAY 2029

The Default Service Plan approved for Citizens' and Wellsboro by the Public Utility Commission ("PUC") authorizes the Companies to seek a full requirements wholesale supplier for each territory to provide fixed price service to all residential and small commercial/industrial customers (under 400 kW billing demand in every billing period during the prior 12 months) and hourly priced service for large commercial/industrial customers (400 kW or higher billing demand during any billing period for the prior 12 months)

1. The Companies will conduct a joint RFP to separately award each territory to a wholesale supplier. The territories will be awarded to different suppliers unless the same supplier submits the lowest qualifying bid in each territory.
2. Four (4) year arrangement (June 1, 2025 through May 31, 2029)
3. The supplier will provide full requirements, load following service for the respective Company's DSP customers. The supplier will serve as the PJM Load Serving Entity for the default service load. The wholesale service will be priced as follows:
   a. RPM Auction (Capacity) —passthrough of actual monthly costs for the DSP load, without markup
   b. Network Integrated Transmission Service (NITS)—passthrough of actual monthly costs for the DSP load, without markup
   c. Regional Transmission Expansion Plan/Transmission Enhancement Charges (RTEP)—passthrough of actual monthly costs for the DSP load, without markup
   d. Energy (as measured at the wholesale meter for the Citizens' or Wellsboro Aggregate Bus, less kWh for customers supplied by Electric Generation Suppliers ("EGSs") scaled up for losses):
      i. <u>Residential and Small Commercial/Industrial Default Service – Fixed Price:</u>
         a) 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during a 12-month pricing period.
         b) The remaining 50% of the energy component of the fixed price service will be adjusted every 6 months and will be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers during the 12-month pricing period commencing 6 months after the start of the prior 12-month pricing period.
         c) Both the first and last six-month calculation periods shall use a modified 6-month pricing period for 50% of the energy component, with the remaining 50% priced during a 12-month pricing period. The "bookend" pricing for these 6-month and

12-month pricing periods shall also be a straight passthrough of the mathematical average of the monthly on-peak per MWh strip pricing at the trigger date for all MWh sold to customers.

d) The following provides a detailed illustration of the pricing formula described above, including the bookend pricing for the first and last 6-month calculation periods:

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

e) The Company shall provide the supplier with notice by 3:00 PM EPT of the Trigger Date.

ii. Large Commercial/Industrial Default Service – Hourly Priced: The energy component of hourly priced service will be the real time hourly PJM Locational Marginal Price ("LMP") for the PJM West Hub.

iii. The supplier and/or Citizens' and Wellsboro (as applicable) will establish procedures to ensure that the supplier can separate the hourly energy deliveries to the Aggregate Bus that are to be priced at the hourly LMP. In addition, procedures will be developed to ensure that the load served by the EGSs is appropriately separated and reconciled for PJM purposes. The Companies have installed EDI.

e. Supplier Adder: A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards

("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs. The Supplier Adder may be different for each territory but, will remain fixed for the four (4) year contract term.

4. The supplier for each territory will be assigned any Auction Revenue Right and Financial Transmission Right opportunities for the default service load during the term of the wholesale contract (June 1, 2025 through May 31, 2029). The Company shall have access to the ARR and FTR data for use in subsequent RFPs.
5. In the RFP, the suppliers will compete based on the Supplier Adder bid, with the contract for each territory going to the lowest qualified bidder.
   a. Pre-qualification process to be determined to confirm credit and ability to perform.
   b. Sealed bid RFP will be conducted by Citizens' and Wellsboro, and their attorneys/advisors. The Companies will not employ an outside agency such as NERA for this procurement.
   c. Non-conforming bids may be rejected.
   d. Results will be submitted to the PUC for review and confirmation within 3 business days after the bids are reviewed by the Companies.
   e. The Pennsylvania Universal Supplier Master Agreement developed by the EDC Working Group will be used, with modifications as necessary to reflect the product description and credit terms that are specific to the contemplated transactions.
   f. Bids shall expire at the earlier of the time that Citizens' and Wellsboro notify the supplier that the bid proposal has been rejected or at midnight EPT on the day that the PUC is expected to act.
   g. Schedule:
      i. January __, 2025: RFP released
      ii. Confidentiality Agreement Executed
      iii. Supplier Q&A, Access to Load Data, Credit Review
      iv. March 10, 2025: Preliminary Response (indicative bid, contract changes, credit terms)
      v. March 24, 2025: Supplier Bids Due by 10:00 AM EPT
      vi. March 25, 2025: Confidential Summary of Bid Results Submitted to the Commission's Bureau of Audits and Bureau of Technical Utility Services by Noon, With Recommendation of the Supplier to be Awarded the Contract for Each Territory
      vii. March 27, 2025: PUC issues Secretarial Letter Accepting or Rejecting the Recommendation(s); if no action by PUC, then Recommendations shall be deemed to have been accepted
6. The supplier shall issue a monthly invoice no later than seven calendar (7) days after the prior month deliveries are completed to the Aggregate Bus. The supplier will be paid monthly through ACH, the first Business Day after the 19th day of each calendar month after Supplier has sent the invoice to the Company. If the due date falls on a weekend or holiday, then the due date shall be the next business day. The invoice will be sufficiently detailed to enable Citizens' or Wellsboro to confirm and reconcile the costs, including separation of the costs between the fixed and hourly loads, and confirmation of EGS-supplied load. The parties will work together to establish the bill format.

7. Customer bills will be issued monthly in 4 cycles, consistent with Citizens' and Wellsboro's current billing practices. Citizens' and Wellsboro will bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers.

APPENDIX B

RFP SCHEDULE

Citizens'/Wellsboro Distribute RFP	January __, 2025

Suppliers Return:

A. Notice of Intent to Participate
B. Confidentiality Agreement(s)
C. Requirements of Prequalification Standards

Citizens'/Wellsboro Issue Bid Packet:

A. Load Data
B. Bid Form
C. Contract

Preliminary Responses Due • Contract Appendix Changes • Credit Terms • Indicative Bid	March 10, 2025 (3:00 PM)
Final Bids Due	March 24, 2025 (10:00 AM)
Preliminary Notification of Winning Supplier(s)	March 24, 2025 (2:00 PM)
PUC Submission with Confidential Report	March 25, 2025 (by 12:00 PM)
PUC Secretarial Letter Accepting or Rejecting Process	March 27, 2025

Bid Day Requirements:

- Bids due by 10:00 AM
- Preliminary Winning Bidders will be notified and must hold bid open until PUC action on March 27, 2025

Pre-Qualification Standards & Documents

To be eligible to receive a Bid Packet and submit a proposal, interested bidders must submit responses to and evidence of its ability to satisfy the following qualification standards for the duration of the agreement. This information must be submitted to obtain access to the Confidential portion of the website.

1. Executed Notice of Intent to Participate.
2. Executed Confidentiality Agreement(s).
3. Two years of current audited financial statements, most current quarterly reports and quarterly updates thereto.
4. Membership status at PJM.
5. A letter from PJM confirming satisfaction of PJM's creditworthiness standards for all PJM purposes.
6. A letter from PJM confirming that PJM’s Risk Policy Guidelines last updated in May 2024 have been met in full.
7. Current status of a PJM Load Serving Entity or evidence it will become an LSE by the first date of service.
8. Confirmation of being a signatory to the PJM Open Access Transmission Tariff, Reliability Assurance Agreement, Operating Agreement and other applicable PJM agreements appropriate for an LSE.

SUPPLIER MASTER AGREEMENT

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

OR

WELLSBORO ELECTRIC COMPANY

SEVENTH DEFAULT SERVICE PLAN

JUNE 1, 2025 – MAY 31, 2029

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SUPPLIER MASTER AGREEMENT
FOR SEVENTH DEFAULT SERVICE PLAN
JUNE 1, 2025 – MAY 31, 2029

THIS SUPPLIER MASTER AGREEMENT, made and entered into this __ day of March, 2025, by and between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** (the "Company" and "Buyer"), a corporation and a public utility organized and existing under the laws of the Commonwealth of Pennsylvania and **[Winning Bidder]** ("DS Supplier"), the Company and the DS Supplier hereinafter sometimes referred to collectively as the "Parties", or individually as a "Party",

WITNESSETH:

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Pennsylvania Public Utility Commission ("PaPUC" or "Commission") Orders issued pursuant to the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, direct Buyer to supply electric service to Default Service Load within Buyer's Pennsylvania franchise service territory; and

WHEREAS, the PaPUC has found that, for periods further identified in Appendix C it would serve the public interest for the Company to secure Default Service Supply ("DS Supply") through a competitive procurement process ("DS Solicitation") and the PaPUC has approved such a process; and

WHEREAS, the Company has conducted and completed a successful DS Solicitation for the provision of DS Supply, and the DS Supplier was one of the winning bidders in the DS Solicitation; and

WHEREAS, pursuant to the competitive bidding procedures of the DS Solicitation, the Company and the DS Supplier desire to enter into this Agreement setting forth their respective rights and obligations concerning the provision of DS Supply.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1: DEFINITIONS

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

Alternative Energy Credit or "AEC" – Shall have the meaning ascribed thereto in the AEPS Act.

AEPS Act – The Pennsylvania Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8.

Affiliate - means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Allocated AECs – Shall mean the types and amounts of AECs specified on Appendix E.

Alternative Energy Portfolio Standards or "AEPS" – Standards requiring that a certain amount of electric energy sold to retail electric customers in the Commonwealth of Pennsylvania be comprised of electricity generated from alternative energy sources, as measured by AECs, in accordance with the requirements of the AEPS Act and provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2812-14, in effect on the Effective Date including, without limitation, any subsequent increases in Tier I requirements under 66 Pa.C.S. § 2814.

Ancillary Services – Shall have the meaning ascribed thereto in the PJM Agreements.

Applicable Legal Authorities – Those federal and Pennsylvania statutes and administrative rules and regulations that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.

Auction Revenue Rights or "ARR" – The current or any successor congestion management mechanisms as may be employed by PJM (whether set forth in the PJM Agreements or elsewhere) for the purpose of allocating financial congestion hedges or financial transmission auction revenue rights. As currently defined by PJM, ARRs are entitlements allocated annually by PJM which entitle the holder to receive an allocation of the revenues from the annual auction of financial transmission rights conducted by PJM pursuant to the PJM Agreements.

Bankruptcy Code – Those laws of the United States of America related to bankruptcy, codified and enacted as Title 11 of the United States Code, entitled "Bankruptcy" and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

Billing Month – Each calendar month during the term of this Agreement.

Business Day – Any day on which the Company's and PJM's corporate offices are open for business and commercial banks are not authorized or required to close in New York, New York.

Capacity – "Unforced Capacity" as set forth in the PJM Agreements, or any successor, measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

Change in Law - means, in each case to the extent not reasonably foreseeable as of the Effective Date, the enactment, adoption, promulgation, issuance, amendment, modification, revocation or repeal of, or any change in the interpretation of, any applicable law or rule by any governmental agency after the Effective Date.

Charge – Any fee, charge or other amount that is billable by the Company to the DS Supplier under this Agreement.

Commercial Class – Group of Rate Schedules that comprise the Commercial Class for DS Supply and itemized in Appendix C.

Company – **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]**

Costs – With respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

Customer – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff, eligible to receive competitive electricity supply from an EGS or DS, respectively, in accordance with the Applicable Legal Authorities.

Damages – Financial compensation from the Defaulting Party to the Non-Defaulting Party associated with the occurrence of an Event of Default or an Early Termination of this Agreement. This compensation shall be assessed pursuant to Article 5 of this Agreement.

Defaulting Party – A Party to this Agreement that has caused or precipitated an Event of Default or an Early Termination of this Agreement.

Default Service or "DS" – Electric generation service that is provided at retail pursuant to the Applicable Legal Authorities under the Company's retail electric tariffs and under

any other agreements or arrangements between the Company and Customers, to any Customer that is not being served by an EGS.

Default Allocation Assessment – shall have the meaning ascribed to it under the PJM Agreements.

Delivery Period – The delivery period specified in Appendix C.

DS Customer(s) – Retail customers who are provided Default Service pursuant to the terms of this Agreement, the Applicable Legal Authorities and the Company's retail tariffs.

DS Fixed Percentage – The percentage of DS Supply provided at a fixed price, as set forth in Appendix C.

DS Fixed Price – The price in dollars per MWh equal to the index quotation for the applicable Pricing Period as determined on the Trigger Date plus the Supplier Adder, as set forth in Appendix C hereto, as determined pursuant to the DS Solicitation.

DS Load – The aggregate load of DS Customers being provided DS Supply.

DS Solicitation – The competitive bidding processes, procedures and rules employed by the Company to competitively procure DS Supply for purposes of this Agreement.

DS Supplier – An entity that (i) has been selected through the DS Solicitation and has accepted the obligations and associated rights to provide DS Supply to the Company for retail customers in accordance with the Applicable Legal Authorities, (ii) has entered into this Agreement with the Company as a Party, and (iii) is a PJM Member and registered with PJM as a LSE.

DS Supplier Representative – Any officer, director, employee, consultant, contractor, or other agent or representative of the DS Supplier in connection with the DS Supplier's activity under this Agreement. To the extent the DS Supplier is a division or group of a company, the term DS Supplier Representative does not include any person in that company who is not part of the DS Supplier division or group.

DS Supplier Responsibility Share – The fixed percentage share of the Company's DS Load for which the DS Supplier is responsible as set forth in Appendix C.

Default Service Supply or "DS Supply" – All necessary Energy, Capacity, AECs for AEPS Act compliance, Ancillary Services, and transmission services including Network Integration Transmission Service, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, and such other services or products that the DS Supplier may be required, by PJM or any governmental body having jurisdiction, to provide in order to meet the DS Supplier Responsibility Share for serving DS Load under this Agreement and as detailed in Appendix C. For the avoidance of doubt, any reference in this Agreement to any other agreement for DS Supply shall

include any agreement between the Parties for the provision of Energy to serve DS Load, even if such other agreement does not require delivery of additional products (e.g., Capacity).

DS Tariffs – The Company's existing schedules of rates and services provided to retail customers as currently on file with the Commission and on the Company's website at EDC website, as they may be amended from time to time.

Delivery Point – Means the applicable bus of the Company as designated by PJM.

DS Variable Percentage – The percentage of DS Supply provided at a variable price, as set forth in Appendix C hereto**.**

DS Variable Price – The hourly price in dollars per MWh as determined by PJM for the PJM Western Hub plus the Supplier Adder, as set forth in Appendix C hereto.

Early Termination – Termination of this Agreement prior to the end of the term due to the occurrence of an Event of Default as specified in Article 5.2 of this Agreement and the declaration of Early Termination.

Early Termination Date – The date upon which an Early Termination becomes effective as specified in Article 5.2 of this Agreement.

Effective Date - The date specified in Appendix C as the effective date.

Electric Distribution Company or "EDC" – A public utility providing facilities for the transmission and distribution of electricity to retail customers in Pennsylvania.

Electric Generation Supplier or "EGS" – A person or entity that is duly certified by the Commission to offer and provide competitive electric supply to retail customers located in the Commonwealth of Pennsylvania.

Emergency – (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a condition that requires implementation of Emergency Operations Procedures as defined in the PJM Agreements or PJM manuals; or (iv) any other condition or situation that the Company or PJM deems imminently likely to endanger life or property or to affect or impair the Company's electrical system or the electrical system(s) of other(s) to which the Company's electrical system is directly or indirectly connected (a "Connected Entity"). Such a condition or situation may include, but shall not be limited to, potential overloading of the Company's transmission and/or distribution circuits, PJM minimum generation ("light load") conditions, or unusual operating conditions on either the Company's or a Connected Entity's electrical system, or conditions such that the Company is unable to accept Energy from the DS Supplier without

jeopardizing the Company's electrical system or a Connected Entity's electrical system. Other additional emergencies can only be declared by PJM, FERC, or the PaPUC.

Energy – Three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

Event of Default – A Party's breach of obligations under this Agreement as set forth in Article 5 of this Agreement.

FERC – The Federal Energy Regulatory Commission.

Final Monthly Energy Allocation or "FMEA" – A quantity of Energy which, for any Billing Month, is the PMEA adjusted for any billing or metering data received subsequent to the calculation of PMEA of which PJM is notified within 60 days.

Force Majeure - Means an event or circumstance which prevents one Party from performing its obligations under one or more transactions, such as riots or revolutions, demands or embargoes of the United States Government, fire, flood, drought, insurrection, acts of God which are not within the reasonable control of, or the results of the negligence of the affected Party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of DS Supplier's supply; (ii) DS Supplier's ability to sell the DS Supply at a price greater than that received under any Transaction; (iii) curtailment by a utility transmitting DS Supply; (iv) the Company's ability to purchase the DS Supply at a price lower than paid under any Transaction; (v) any change in requirements of any governmental authority; or (vi) labor stoppage or lockout.

Forward Market Price – The price for On-peak Energy Forward Price as determined by averaging concurrent broker quotes obtained by the Company for the Market Price Hub as available.

Gains – With respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Generator Attribute Tracking System or "GATS" - the system owned and operated by PJM Environmental Services, Inc. to provide reporting and tracking services to its subscribers in support of the AEPS Act, or any successor credit registry selected by the PaPUC. (As specified in Appendix E)

Guaranty – A guaranty, suretyship, hypothecation agreement, margins or security agreement or any other document in the form attached to this DS Supplier Master Agreement or other form approved by the Company.

Guarantor – Any party having the authority and agreeing to guarantee the DS Supplier's financial obligations under this Agreement, recognizing that such party shall be obligated to meet the Company's creditworthiness requirements specified in this Agreement for such DS Supplier.

Interest Index – The average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (http://www.federalreserve.gov/releases/h15/update/).

Kilowatt or "kW" – Unit of measurement of useful power equivalent to 1000 watts.

Kilowatt-hour or "kWh" – One kilowatt of electric power used over a period of one hour.

Load Serving Entity or "LSE" – An entity that has been granted the authority or has an obligation pursuant to state or local law, regulation or franchise to sell electricity to retail customers located within the PJM Control Area as that term is defined in the PJM Agreements or in successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement.

Losses – With respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

Margin – The amount by which the Total Exposure Amount exceeds the DS Supplier's, or Guarantor's, credit limit as defined in Section 6.4.

Market Price Hub - A liquid pricing point located within PJM's geographic footprint, as specified in Appendix B.

Megawatt or MW – One thousand kilowatts.

Megawatt-hour or MWh – One megawatt of electric power used over a period of one hour.

Merger Event – When a DS Supplier consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity and either (i) the resulting entity fails to assume all of the obligations of such DS Supplier hereunder in the sole discretion of the Company or (ii) the benefits of any credit support provided pursuant to Article 6 of this Agreement fail to extend to the performance by such resulting, surviving or transferee entity of the DS Supplier's obligations hereunder, and the resulting entity or its guarantor fails to meet the creditworthiness requirements of this Agreement in the sole discretion of the Company.

Minimum Transfer Amount - $100,000.

NERC – The North American Electric Reliability Council or its successor.

Network Integration Transmission Service or "NITS" – "Network Integration Transmission Service" under the PJM Agreements in effect as of the date of this Agreement, or its successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement. In the event the PJM Agreements are modified such that "Network Integration Transmission Service" is no longer offered, Network Integration Transmission Service shall mean the type of transmission service offered under the PJM Agreements that is accorded the highest level of priority for scheduling and curtailment purposes.

Non-Defaulting Party - A Party to this Agreement who, at the time an Event of Default occurs, is not itself in default of this Agreement and has not otherwise caused or precipitated an Event of Default or Early Termination of this Agreement.

Off-Peak Energy Forward Price - Means the price for Off-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer available or no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

On-Peak Energy Forward Price – Means the price for On-Peak Hours for each billing month of the delivery period stated in terms of $/MWh as based on the most recent publicly available information and/or quotes from Reference Market Makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

PaPUC or Commission – The Pennsylvania Public Utility Commission or its successor.

PJM – PJM Interconnection L.L.C. or its successor.

PJM Agreements – The PJM OATT, PJM RAA, PJM OA and all other PJM agreements, procedures, manuals and documents applicable to the Transactions covered by or relating to this Agreement.

PJM Control Area – That certain Control Area encompassing electric systems in parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia, as may be modified from time to time, and which is recognized by the North American Electric Reliability Council as the "PJM Control Area".

PJM Member – A member in good standing of PJM that satisfies the requirements to conduct business with PJM.

PJM OA – The PJM Operating Agreement or the successor, superseding or amended version of the PJM Operating Agreement that may take effect from time to time.

PJM OATT – The PJM Open Access Transmission Tariff or the successor, superseding or amended version of the PJM Open Access Transmission Tariff that may take effect from time to time.

PJM OI – The PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM RAA – The PJM Reliability Assurance Agreement or the successor, superseding or amended version of the PJM Reliability Assurance Agreement that may take effect from time to time.

PMEA/FMEA Adjustment Amount – For any Billing Month, the monetary amount due to the DS Supplier or the Company, as the case may be, in order to reconcile any difference between the PMEA used for the purpose of calculating estimated payments made to DS Supplier for a given month and the FMEA used for calculating the final payments due to the DS Supplier for such month as more fully described in Article 9 hereof.

Preliminary Monthly Energy Allocation or "PMEA" – A quantity of Energy which, for any Billing Month, is the preliminary calculation of the DS Supplier's DS Supplier Responsibility Share.

Rate Schedule(s) – Shall mean the specified existing, and modified or successor customer rate schedule(s) in the electric service tariff of the Company filed with the Commission.

Reliability First Corporation or "RFC" – The approved regional NERC entity with responsibility for the Commonwealth of Pennsylvania.

Residential Class – Group of Rate Schedules that comprise the Residential Class for the DS Supply and itemized in Appendix C

Rounding Amount - $100,000

Settlement Amount – With respect to a Non-Defaulting Party, the net amount of the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of Early Termination, as set forth in Section 5.4(a) of this Agreement. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

Statement – A monthly report prepared by the DS Supplier for the Company indicating the amount due to the DS Supplier by the Company as compensation for DS Supply supplied to DS Customers by the DS Supplier during the current Billing Month, in

accordance with DS Supplier's obligations under this Agreement. The Statement will segregate deliveries and passthrough products for the DS Fixed Price and DS Variable Price load.

Supplier Adder – A ¢/kWh charge that applies to both fixed and hourly energy that covers all other costs to deliver default service power to the Buyer's Aggregate Bus, including congestion, marginal losses, Alternative Energy Portfolio Standards ("AEPS") Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and deviations between the forward pricing and actual costs.

Supply Day – Any calendar day during the term of this Agreement on which the DS Supplier is providing, or is obligated by this Agreement to provide, DS Supply to the Company's DS Customers.

Termination Payment – An amount paid by the Defaulting Party due to Early Termination.

Tier I AEC – Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier I requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier I (Solar) AEC – Shall mean an AEC generated by a solar photovoltaic energy source that will satisfy the Tier I solar photovoltaic requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tier II AEC - Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier II requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

Tranche – A fixed percentage share of the Company's DS Load, as specified in Appendix C.

Transaction – Means a particular agreement by which the Company purchases and the DS Supplier sells DS Supply pursuant to this Agreement, the details of which are more fully set forth in Exhibit 1 – Transaction Confirmation.

Transaction Confirmation – Shall have the meaning ascribed to it in Appendix C and Exhibit 1 of this Agreement.

Trigger Date – The date that Company can request DS Supplier to lock -in a 6-month or 12-month (as applicable) energy strip price for the Fixed Price product.

ARTICLE 2: GENERAL TERMS AND CONDITIONS

2.1 Capacity in Which Company Is Entering into This Agreement

The DS Supplier agrees and acknowledges that the Company is contracting for the provision of DS Supply from such DS Supplier for Customers receiving Default Service on the Company's electric system pursuant to the authorizations provided to the Company. The DS Supplier further agrees and acknowledges that the Company will administer and monitor the DS Supplier's performance in providing DS Supply under this Agreement and that the Company shall be entitled to enforce the DS Supplier's obligations related to the provision of DS Supply. The DS Supplier hereby permanently, expressly and irrevocably waives any claim that Company is not entitled to seek enforcement of this Agreement on behalf of Customers. It is the specific intention of the Parties hereto that Customers and Customer groups are not third-party beneficiaries of this Agreement and that no Customer or Customer group shall seek enforcement of this Agreement against the DS Supplier on their own behalf, either independently or by joining in any legal proceeding brought by the Company.

2.2 Parties' Obligations

(a) Obligations of DS Supplier

The DS Supplier hereby agrees as follows:

(i) DS Supplier shall provide service on a firm and continuous basis such that the supply delivered for the term of the Agreement meets the terms and conditions set forth in Appendix C;

(ii) To provide sufficient quantities of DS Supply on an instantaneous basis at all times and supplied to the Delivery Point to meet the DS Supplier Responsibility Share;

(iii) To procure those services provided by the PJM OI and to perform such functions as may be required by the PJM OI that are necessary for the delivery of DS Supply required hereunder;

(iv) To cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing legitimacy and enforceability of the terms of this Agreement and to fulfill any regulatory reporting requirement associated with the provision of DS Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(v) To become the Load Serving Entity ("LSE") with respect to the provision of DS Supply for the DS Supplier Responsibility Share and to comply with all requirements of a LSE with respect to such DS Supplier Responsibility Share;

(vi) To pay to the Company the PMEA/FMEA Adjustment Amount for any Billing Month in which the PMEA exceeds the FMEA, as more fully described in Article 9 of this Agreement;

(vii) To accept assignment of and to fulfill all obligations of a LSE that are assigned to it by this Agreement;

(viii) To comply in a timely manner with all obligations under this Agreement imposed upon the DS Supplier; and

(ix) To comply with the AEPS requirements of the Company's Default Service Plan, as detailed in Appendix E.

(b) Obligations of the Company

The Company hereby agrees as follows:

(i) To pay to each DS Supplier every month an amount due, resulting from the calculations, as detailed in Article 9 of this Agreement, subject to the adjustments as expressed therein;

(ii) Pay to the DS Supplier the PMEA/FMEA Adjustment Amount for any Billing Month in which the FMEA exceeds the PMEA, as more fully described in Article 9 of this Agreement;

(iii) To coordinate with the DS Supplier to develop protocols to separate the DS Load from EGS load on a daily basis, and to separate the DS Variable Percentage and the DS Fixed Percentage;

(iv) To comply in a timely manner with all obligations under this Agreement imposed upon the Company; and

(v) Accept the delivery of DS Supply necessary to meet the DS Load.

2.3 Congestion and Congestion Management

The DS Supplier is responsible for any congestion costs incurred to meet the DS Supplier Responsibility Share. The Company shall transfer or assign to the DS Supplier the Company's rights to Auction Revenue Rights (ARRs) to which the Company is entitled as an LSE pursuant to the PJM Agreements, including the rights to ARRs, provided that such rights are related to the service being provided to meet the DS Supplier Responsibility Share and such rights are for the Delivery Period. All rights, liabilities and obligations associated with such ARRs will accrue and be assumed by the DS Supplier through the transfer or assignment from the Company to the DS Supplier including the responsibility

and ability of the DS Supplier to request or nominate such ARRs when applicable and feasible. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations will nominate such ARRs for the upcoming PJM planning period and such ARRs will be allocated to the DS Supplier in accordance with the PJM Agreements based upon its DS Supplier Responsibility Share. Upon request, DS Supplier shall make ARR information and any other information available to the Company for use of participants in supply negotiations, request for proposals or other processes to obtain wholesale supply for periods beyond the Term of this Agreement.

2.4 PJM Services

The DS Supplier shall make all necessary arrangements for the delivery of DS Supply through the PJM OI. The DS Supplier shall be responsible for the forecasting and reconciliation of the DS Load. The DS Supplier shall remain responsible to PJM for the performance of its LSE obligations associated with the provision of DS Supply under this Agreement until the effective date of the transfer of such LSE obligations.

The Company shall generate and provide to DS Supplier PJM shortname(s) associated with supplier's unique contract type(s), as necessary. Unique shortname(s) may be generated for each differing contract type. DS Supplier shall complete all required forms and processing to PJM to create shortname(s) within the PJM system.

For the period of time this Agreement is in effect, both the Company and DS Supplier shall have executed the PJM Declaration of Authority, and shall remain in effect during the Term of this Agreement. In the event PJM requires that the Declaration of Authority be amended after execution by the DS Supplier, DS Supplier agrees to execute a revised Declaration of Authority in accordance with PJM requirements.

2.5 PJM Agreement Modifications

(a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.

(b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement, including the DS Supplier's responsibility for changes in PJM products and pricing during the Term.

2.6 PJM Member Default Cost Allocation

In the event PJM imposes a Default Allocation Assessment upon the Company relating to a default during the Term, the Company shall invoice DS Supplier and DS Supplier shall pay an amount equal to the product of (i) DS Supplier Responsibility Share, and (ii) the Default Allocation Assessment, less the amounts of any types of charges allocated to the Company under this Agreement that are used by PJM in calculating such Default Allocation Assessment.

2.7 Other Fines and Penalties

If fees, fines, penalties, or costs are claimed or assessed against the Company by any Applicable Legal Authority or PJM due to noncompliance by the DS Supplier with this Agreement, any other requirements of law, or the PJM Agreements, the DS Supplier shall indemnify and hold the Company harmless against any and all losses, liabilities, damages, and claims suffered or incurred by the Company, including claims for indemnity

or contribution made by third parties against the Company, except to the extent the Company recovers any such losses, liabilities or damages through other provisions of this Agreement.

2.8 Communications and Data Exchange

The DS Supplier and the Company shall supply to each other in a thorough and timely manner all data, materials or other information that is specified in this Agreement, or that may otherwise reasonably be required by DS Supplier or by the Company in connection with the provision of DS Supply by the DS Supplier to DS Customers, if required.

The DS Supplier shall be equipped with the communications capabilities necessary to comply with the communications and data exchange standards that are set by and as may, from time to time, be modified by PJM, and shall exclusively bear the costs of installing, maintaining, testing, and operating all required information technology systems that will enable it to send to and receive data from the Company and PJM and to satisfy its obligations under this Agreement, the PJM Agreements and all other relevant agreements.

2.9 Record Retention

The Company shall retain necessary records for the longer of two years or as required under applicable PaPUC requirements so as to permit DS Supplier to confirm the validity of payments due to DS Supplier hereunder; provided that if a DS Supplier has provided notice pursuant to this Agreement that it disputes the validity of any payments, the Company agrees that it shall retain all records related to such dispute until the dispute is finally resolved.

2.10 Verification

In the event of a good faith dispute regarding any invoice issued or payment due under this Agreement, and provided that a mutually acceptable confidentiality agreement is executed by the Parties, each Party will have the right to verify, at its sole expense, the accuracy of the invoice or the calculation of the payment due by obtaining copies of relevant portions of the books and records of the other Party.

2.11 Forward Contract Merchant

The Parties agree that the Agreement is a "forward contract merchant" within the meaning of the United States Bankruptcy Code, all setoffs, netting and liquidations contemplated hereunder constitute "settlement payments" as set forth in Sections 101 and 741 of the United States Bankruptcy Code and each payment or transfer of Performance Assurance is a "margin payment", "settlement payment" or transfer within the meaning of Section 101 of the United States Bankruptcy Code for the purposes of and as used in such Code.

2.12 Change in Law

If any Change in Law other than a change to the AEPS requirements has the effect of changing the purchase and sale procedure set forth in this Agreement such that (i) the implementation of this Agreement becomes impossible; or (ii) it becomes unlawful for a Party to perform any obligation under this Agreement, the Parties hereto agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, or rules in order to maintain the original intent of the Parties under this Agreement. Parties' exclusive remedy for any change to the AEPS requirements shall be as set forth in Appendix E.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 DS Supplier's Representations and Warranties

The DS Supplier hereby represents, warrants and covenants to the Company on the Effective Date and throughout the term of this Agreement as follows:

(a) It is a corporation, partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania or, if another jurisdiction, under the laws of such jurisdiction and, in such case, is duly registered and authorized to do business in such other jurisdiction;

(b) It has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder, including satisfaction of all applicable FERC requirements;

(c) The execution and delivery of this Agreement and the performance of such DS Supplier's obligations hereunder have been duly authorized by all necessary action on the part of the DS Supplier and do not and will not conflict with, or constitute a breach of or default under, any of the terms, conditions, or provisions of the DS Supplier's certificate of incorporation or bylaws or other constituent instruments or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the DS Supplier is a party or by which the DS Supplier or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the DS Supplier's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the DS Supplier, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity;

(f) There are no actions at law, suits in equity, proceedings or claims pending or, to the DS Supplier's knowledge, threatened against the DS Supplier before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the DS Supplier's performance of its obligations hereunder;

(g) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(h) It is in good standing as an LSE in PJM, is a signatory to all applicable PJM Agreements, and is in compliance with, and will continue to comply with, all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs as defined by the PJM Agreements; provided that the DS Supplier shall not be obligated to become an LSE in PJM until the date it begins providing DS Supply;

(i) It has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by the Company;

(j) It will comply with any and all information and data transfer protocols that may be adopted by the Company or that are set by, and from time to time modified by, the

PaPUC; provided that DS Supplier shall be entitled to exercise its reserved right to challenge any such protocols in the appropriate forum;

(k) It is not Bankrupt or insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt or insolvent;

(l) There are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates, or any legal proceedings before any Governmental Authority, that could materially adversely affect its ability to perform its obligations under this Agreement;

(m) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(n) It is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement; and,

(o) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of DS Supply as required by this Agreement; and it is an "eligible contract participant" as defined in Section 1a(18) of the Commodity Exchange Act.

3.2 Company's Representations and Warranties

The Company hereby represents, warrants and covenants to the DS Supplier as follows:

(a) The Company is an electric utility corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania;

(b) The Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

(c) The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary action on the part of the Company and do not and will not conflict with, constitute a breach of or default under, any of the terms, conditions, or provisions of the Company's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Company is a party or by which the Company or any of its properties is bound or subject;

(d) All necessary and appropriate action that is required on the Company's part to execute this Agreement has been completed;

(e) This Agreement is the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity and the Commission's power under section 508 of the Public Utility Code, 66 Pa.C.S. § 508, to amend or modify the contracts of public utilities;

(f) The ability of the Company to pay any and all amounts due and payable under this Agreement, or upon any potential breach thereof, is not conditioned upon any

governmental or administrative appropriation by the Commission, the Commonwealth of Pennsylvania or any other governmental authority;

(g) There are no actions at law, suits in equity, proceedings or claims pending or, to the Company's knowledge, threatened against the Company before any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the Company's performance of its obligations under this Agreement;

(h) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

(j) The Company's performance under this Agreement is not contingent upon the performance of Customers or the ability of Customers to pay rates;

(k) The Company shall have sole responsibility for metering and billing with respect to Customers; and,

(l) The Company shall be responsible for electric distribution services and the DS Supplier shall not be responsible for distribution charges.

3.3 Survival of Obligations

All representations and warranties contained in this Article are of a continuing nature and shall be maintained during the term of this Agreement or until all amounts due hereunder, including all obligations, have been paid or performed in full. If a Party learns that any of the representations, warranties or covenants in this Agreement are no longer true during the term of this Agreement, the Party shall immediately notify the other Party via email or facsimile, with a hard copy of the notice delivered by overnight mail.

ARTICLE 4: COMMENCEMENT AND TERMINATION OF AGREEMENT

4.1 Commencement and Termination

The term of this Agreement shall commence upon the Effective Date. Unless otherwise agreed upon by the Company and the DS Supplier, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless the Agreement is terminated prematurely pursuant to the provisions of this Agreement.

4.2 Termination of Right to Supply

The DS Supplier agrees that termination of this Agreement for reason of an Event of Default shall terminate any right of the DS Supplier to provide DS Supply to the DS Customers and nullify any of the entitlements to which the DS Supplier became entitled as a result of being selected as a winning bidder in the DS Solicitation.

4.3 Survival of Obligations

Termination of this Agreement for any reason shall not relieve the Company or the DS Supplier of any obligation accrued or accruing prior to such termination. Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings.

4.4 Mutual Termination

The Company and the DS Supplier may agree at any time during the term of this Agreement to terminate their respective rights and obligations hereunder on such terms and under such conditions that they mutually deem to be appropriate as set forth in a mutual termination agreement acceptable in form and substance to the Company and the DS Supplier ("Mutual Termination Agreement"); provided that Company agrees that it shall

enter into such a Mutual Termination Agreement, which will discharge the terminating DS Supplier (the "Terminating DS Supplier") with respect to liabilities arising after the effective date of the Mutual Termination Agreement if the following conditions precedent are met: (i) the Terminating DS Supplier identifies a replacement DS Supplier willing to assume all obligations of the Terminating DS Supplier hereunder for the remaining term of this Agreement (the "Replacement DS Supplier"); (ii) the Replacement DS Supplier demonstrates its compliance with Article 6 of this Agreement, "Creditworthiness", as of the effective date of the Mutual Termination Agreement, that determination to be made in the sole discretion of Company; (iii) the Replacement DS Supplier executes a counterpart signature page to this Agreement and thereby becomes a Party under this Agreement, effective immediately following the effective date of the Mutual Termination Agreement; and (iv) the Terminating DS Supplier is not, to the belief or knowledge of the Company, subject to an Event of Default as of the effective date of the Mutual Termination Agreement or, if the Company believes that the Terminating DS Supplier may be subject to an Event of Default, either (a) the Company has determined that, as of the effective date of the Mutual Termination Agreement, it has not incurred any Damages as a result of the Event of Default or (b) if the Company has determined, as of the effective date of the Mutual Termination Agreement, that it may have incurred Damages as a result of the Event of Default, that the Replacement DS Supplier has agreed in writing to be responsible for the payment of such Damages or to otherwise cure the Event of Default, in either case to the satisfaction of the Company in its sole discretion.

ARTICLE 5: BREACH AND DEFAULT

5.1 Events of Default

An Event of Default under this Agreement shall occur if a Party (the "Defaulting Party"):

(a) Is the subject of a voluntary bankruptcy, insolvency or similar proceeding;

(b) Makes an assignment for the benefit of its creditors;

(c) Applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;

(d) Is dissolved (other than pursuant to a consolidation, amalgamation or merger) or is the subject of a Merger Event;

(e) Has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets;

(f) Has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) In the case of a DS Supplier, PJM terminates the DS Supplier's ability to make purchases from PJM markets or PJM holds the Company responsible for the provision of DS Supply under this Agreement and PJM does not rescind such termination or assignment of responsibility within seven (7) Business Days;

(h) Fails to comply with the creditworthiness requirements as set forth in Article 6 of this Agreement;

(i) Is declared by PJM to be in default of any provision of any PJM Agreement, which default prevents a Party's performance hereunder if such failure is not remedied within three (3) Business Days after written notice;

(j) Failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;

(k) Violates any federal, state or local code, regulation or statute applicable to the supply of Energy and/or AECs in a manner that materially, and adversely, affects the Party's performance under this Agreement, including by way of failure to continually satisfy all applicable FERC requirements, or, in the case of the DS Supplier, by way of failure to maintain any other governmental approvals required for participation in the Pennsylvania retail Energy market, or defaults on any obligation or other failure to comply with PJM requirements under the PJM Agreements;

(l) Is the subject of an involuntary bankruptcy or similar proceeding;

(m) Subject to Section 5.3 (b) of this Agreement, in the case of the Company, fails to accept DS Supply properly tendered by the DS Supplier under this Agreement;

(n) Failure to perform any material covenant or obligation set forth in this Agreement, if such failure is not remedied within three (3) Business Days after written notice;

(o) Makes a materially incorrect or misleading representation or warranty under this Agreement or under any response to the DS Solicitation; or

(p) Commits an act or makes an omission that constitutes an "Event of Default" under any other agreement(s) for the provision of DS Supply between the Company and

the DS Supplier; and fails to remedy such condition, event or delinquency herein above described such that the other Party (the "Non-Defaulting Party") is completely made whole with respect to such condition, event or delinquency, within three (3) Business Days of receipt of written notice thereof from such Non-Defaulting Party; provided, however, that an Event of Default shall be deemed to have occurred immediately, without any need for the provision of notice thereof by the Non-Defaulting Party and without any right of cure on the part of the Defaulting Party, in the event of the occurrence of a condition, event or delinquency described in subsections "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)" or "(h)" above. Termination of this Agreement by the PaPUC, other regulatory authority or court of law does not constitute an Event of Default under this Agreement.

(q) With respect to the DS Supplier's Guarantor, if any:

(i) any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(ii) Guarantor fails to make, when due, any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within two (2) Business Days after written notice;

(iii) Guarantor's guaranty fails to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party; or

(iv) Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty.

5.2 Rights upon Default

Upon and during the continuation of an Event of Default, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Article 5.7. In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all of the following remedies:

(a) Declare an Early Termination Date of this Agreement with respect to the obligations of the Defaulting Party without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by providing written notice to the Defaulting Party; provided, however, that this Agreement shall immediately terminate automatically and without notice in the case of any Event of Default in which a DS Supplier is the Defaulting Party occurring under subsections (a), (b), (c), (d), (e), (f), (g) or (h) of Article 5.1 of this Agreement and such date of automatic termination shall be deemed the Early Termination Date of this Agreement with respect to such Supplier; and

(b) Receive Damages in accordance with Section 5.3 of this Agreement.

The Non-Defaulting Party shall be entitled to elect or pursue one or more of the above remedies.

5.3 Damages Resulting From an Event of Default

(a) DS Supplier's Failure to Supply DS Supply or Declaration of Early Termination By Company: Damages resulting from (i) the DS Supplier's failure to (A) provide DS Supply in conformance with Article 2.2 hereof or (B) pay PJM for purchases of any products or services from PJM, or other failure to comply with PJM requirements, such that PJM holds the Company responsible for the provision of DS Supply to meet the DS Supplier's DS Supplier Responsibility Share under this Agreement or (ii) the occurrence of any Event of Default attributable to the DS Supplier resulting in Early Termination, shall include all Costs incurred by the Company, acting in a commercially reasonable manner consistent with any statutory or regulatory requirements imposed by the Applicable Legal Authorities, in obtaining replacement services or in obtaining a replacement supplier, which Costs exceed the amounts that would have been payable to the defaulting DS Supplier under this Agreement. Costs incurred by the Company for the purpose of calculating Damages hereunder will consist of:

(i) The cost of DS Supply allocated to the Company by the PJM OI due to the failure of the DS Supplier to meet obligations owing to the PJM OI in connection with its obligations under this Agreement;

(ii) The costs of DS Supply purchased by the Company to replace DS Supply that a DS Supplier was obligated to supply under this Agreement during the term hereof;

(iii) Administrative and legal costs associated with procuring replacement DS Supply; and

(iv) Financial hedging costs incurred by the Company on behalf of DS Customers as a result of having to procure DS Supply not provided by the DS Supplier.

The Parties further recognize and agree that the final calculation of Damages hereunder may not be known for some time since the level of such Damages may be dependent upon the arrangements made by the Company to obtain replacement services or a replacement DS Supplier. The Company and the DS Supplier agree that, until the calculation of Damages under this provision is completed, the amount and payment to the Company of the Settlement Amount on behalf of DS Customers in the event of an Early Termination as set forth in Article 5.4 of this Agreement shall be immediately due and owing as an estimate of all Damages ultimately determined to be due and owing. After Damages have been finally determined under this Article 5.3, the amounts of Damages due and owing will be reconciled with payments already made by the DS Supplier under Section 5.4 of this Agreement.

(b) Failure By Company on Behalf of Customers To Accept DS Supply Tendered By DS Supplier: Damages resulting from the failure of the Company on behalf of Customers to accept DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement shall consist of the positive difference (if any) between (i) the amounts that would have been payable to the DS Supplier hereunder had the Company accepted the DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement and (ii) the amount realized by the DS Supplier in disposing, in a commercially reasonable manner, of the DS Supply not accepted by the Company; provided, however, that the Company shall not be required to accept on behalf of any Customer, quantities of DS Supply utilized by Customers on an instantaneous basis as a function of electrical load, in excess of such Customer's instantaneous consumption of such component of DS Supply;

and further provided that the Company shall not be liable for any Damages if this Agreement is terminated by the PaPUC, other regulatory authority or a court of law.

(c) Damages Resulting From Early Termination Due To An Event of Default Attributable To the Company: Damages resulting from Early Termination due to an Event of Default attributable to the Company shall be as set forth in Section 5.4 of this Agreement. Damages calculated in accordance with said Article 5.4 shall be the exclusive remedy available to the DS Supplier in the event of Early Termination resulting from an Event of Default attributable to the Company.

(d) Damages Resulting from DS Supplier's Failure to Continuously Satisfy it AEPS Obligations: Damages resulting from the DS Supplier's failure to continuously meet and satisfy all or any portion of its obligations under Section 2.2 (a)(viii) of this Agreement shall include, but not be limited to, the amount of all penalties, costs associated with the procurement of additional AECs, etc. including, without limitation, interest and other charges, if any, levied against the Company related to AEPS regulations, due to such DS Supplier's conduct or inaction.

(e) Other Damages: Damages for Events of Default not specified above shall consist of the direct Damages incurred by the Non-Defaulting Party.

(f) Waiver of Event of Default: If an Event of Default has occurred and the Non-Defaulting Party is the Company, then unless the Event of Default was a failure by the DS Supplier to meet any or all of its DS Supply obligations, the Company may elect, at its sole discretion, to offer to waive the default on such terms and conditions as the Company, at its sole discretion, may deem appropriate to propose a special remedy. Any

such special remedy can only be offered to the DS Supplier if it first is specifically approved by the PaPUC in accordance with Commission Orders.

5.4 Declaration of an Early Termination Date and Calculation of Settlement Amount and Termination Payment

(a) **Settlement Amount**: If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the Non-Defaulting Party shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as a date for Early Termination ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate the undertakings set forth in this Agreement, (ii) to withhold any payments due to the Defaulting Party under this Agreement, and (iii) to suspend performance; provided however, that an Early Termination Date shall be deemed to occur automatically and concurrently with the Event of Default, without any requirement for the provision of notice by the Non-Defaulting Party, with respect to an Event of Default under subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Article 5.1 of this Agreement. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount with respect to the obligations under this Agreement.

(i) For the purposes of such determination, the DS Supply provided for under this Agreement for the period following the Early Termination Date through the remainder of the term of this Agreement shall be deemed to be those quantity amounts that would have been delivered on an hourly basis, had this Agreement been in effect during the previous calendar year adjusted for such DS Load changes as may have occurred since the previous calendar year.

(b) Net Out of Settlement Amounts: The Non-Defaulting Party shall calculate a Termination Payment by aggregating all Settlement Amounts due under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply into a single amount by netting out (a) all Settlement Amounts that are due or will become due to the Defaulting Party, plus at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party and actually received, liquidated and retained by the Non-Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply against (b) all Settlement Amounts that are due or will become due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply, so that all such amounts shall be netted out to a single liquidated amount; provided, however, that if the DS Supplier is the Defaulting Party and the Termination Payment is due to the DS Supplier, the Company shall be entitled to retain a commercially reasonable portion of the Termination Payment, which may be equal to the entire amount of the Termination Payment, as security for additional amounts that may be determined to be due and owing by the DS Supplier as Damages and further provided that any previously attached security interest of the Company in such retained amounts shall continue. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. If the Termination Payment has been retained by the Company as security for additional amounts that may be determined to be due and owing by the DS Supplier, and if, upon making a final determination of Damages, the Termination Payment, or any portion

thereof, is to be made to the DS Supplier, the Company will pay simple interest on the Termination Payment amount being made to the DS Supplier. Simple interest will be calculated at the lower of the Interest Index or six (6) percent per annum.

(c) Notice of Termination Payment: As soon as practicable after calculation of a Termination Payment, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. Subject to Article 5.4(b) above, the Termination Payment shall be made by the Party that owes it within three (3) Business Days after such notice is effective.

(d) Disputes With Respect to Termination Payment: If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within three (3) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party as specified in the Termination Payment Dispute Notice.

(e) Multiple DS Supply Agreements: It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the Effective Date of this Agreement or are entered into after the Effective Date of this Agreement, the Company

will calculate a single Termination Payment applicable to all such agreements as set forth herein.

5.5 Step-up Provision

The Company may ask other DS Suppliers whether they wish to assume all or part of the delivery obligations on the same terms and price contained herein, but any DS Supplier shall not be obligated to assume any such step-up requests. Any agreement to make additional supply available shall be termed a "Step-Up", and is subject to compliance with the creditworthiness provisions of Article 6 of this Agreement. For the avoidance of doubt, in the event that the DS Supplier does not respond to the Company's Step-Up request within the relevant timeframe, then the DS Supplier shall be deemed to have rejected the Company's request in full.

5.6 Setoff of Payment Obligations of the Non-Defaulting Party

Any payment obligations of the Non-Defaulting Party to the Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply shall be set off: (i) first, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured and not subject to any Guaranty; (ii) second, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured, but which are subject to a Guaranty; and (iii) third, to satisfy any remaining payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply.

5.7 Preservation of Rights of Non-Defaulting Party

The rights of the Non-Defaulting Party under this Agreement, including without limitation Article 5.4 and 5.7 of this Agreement, shall be supplemental to, and not in lieu of, any right of recoupment, lien, or set-off afforded by applicable law, and all such rights are expressly preserved for the benefit of the Non-Defaulting Party.

(a) **Duty to Mitigate:** Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

(b) **Return of Auction Revenue Rights:** When the DS Supplier is the Defaulting Party, the DS Supplier will make best efforts to facilitate the transfer or reassignment to the entity which is the replacement DS Supplier on the Early Termination Date, any and all of the replacement DS Supplier's rights to Auction Revenue Rights (ARRs) to which the replacement DS Supplier is entitled as a LSE pursuant to the PJM Agreements, which were transferred or assigned to the DS Supplier under Section 2.3 (Congestion and Congestion Management).

ARTICLE 6: CREDITWORTHINESS

6.1 Applicability

Both Parties shall meet the creditworthiness requirements specified in Appendix A at all times during the term of this Agreement and shall inform the other Party immediately of any material changes in its credit rating or financial condition. Without limitation of the foregoing, the DS Supplier shall, upon written request, affirmatively demonstrate to the Company, its compliance with the creditworthiness requirements set forth hereunder. The Company may establish less restrictive creditworthiness requirements under this Article 6 in a non-discriminatory manner.

6.2 Intentionally Omitted

6.3 Mark-to-Market Credit Exposure Methodology

The Parties will periodically calculate the Mark-to-Market Credit exposure of DS Supplier in accordance with Appendix B.

6.4 Intentionally Omitted

6.5 Intentionally Omitted

6.6 Intentionally Omitted

6.7 Security Instruments

At the providing Party's choice, the following are deemed to be acceptable methods for posting security, if required:

(a) Cash; or

(b) A standby irrevocable letter of credit acceptable to the Company, in its sole discretion, issued by a bank or other financial institution with a minimum "A-" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P and "A3" from Moody's. The letter of credit shall state that it shall renew

automatically for successive one-year or shorter periods, until terminated upon at least ninety (90) days prior written notice from the issuing financial institution. If the requesting Party receives notice from the issuing financial institution that the letter of credit is being cancelled, the providing Party will be required to provide a substitute letter of credit from an alternative bank satisfying the minimum requirements. The receipt of the substitute letter of credit must be effective as of the cancellation date and delivered to the requesting Party thirty (30) days before the cancellation date of the original letter of credit. If the providing Party fails to supply a substitute letter of credit as required, then the Company will have the right to draw on the existing letter of credit and to hold the amount as Margin.

If the credit rating of a bank or other financial institution from which a Party has obtained a letter of credit falls below the levels specified in Article 6 of this Agreement, the Party shall have three (3) Business Days following written notice by the requesting Party to obtain a suitable letter of credit from another bank or other financial institution that meets those standards, unless such period is extended in writing by the requesting Party. The requesting Party shall have no obligation under this Agreement or otherwise to make or grant such extension.

6.8 Maintenance of Creditworthiness

(a) **Reporting of Changes**: A Party shall promptly notify the other Party of any change in its credit rating or financial condition or that of its Guarantor. The Party or Guarantor shall also furnish evidence of an acceptable credit rating or financial condition upon the request of the other Party.

(b) Change in Credit Standing: Creditworthiness may be re-evaluated whenever a Party becomes aware of a material change, through the provision of notice by the other Party or otherwise, in the Party's or Guarantor's credit standing.

6. 9 Calling on Security

Security posted by a Party may be called upon if the other party fails to perform or fails to pay amounts due pursuant to this Agreement or any other agreement(s) between the Parties after all of the following events occur:

(a) Written Notice of Default is provided to the non-performing Party; and

(b) Any applicable cure period associated with the written Notice of Default ends.

The foregoing notwithstanding, the security posted by either Party shall become due automatically without prior notice or right of cure in the case of any Event of Default arising under subsections (a), (b), (c), (d), (e), (f), (g) and (h) of Section 5.1 of this Agreement.

6.10 Interest on Cash Held by a Party

A Party will pay simple interest calculated at the lower of the Interest Index or six (6) percent per annum on all cash held by the Party pursuant to this Agreement. Each Billing Month, the holding Party will prepare a statement of interest amounts due to the other Party. The statement will be sent to the providing Party within three (3) Business Days after the end of the Billing Month via overnight mail or other expeditious means. The holding Party shall make interest payments on the first Business Day after the 5th day of each calendar month**.**

6.11 No Endorsement of DS Supplier

The Company's determination that a DS Supplier is creditworthy pursuant to the process set forth above, shall not be deemed to constitute an express or implied warranty or guarantee of any kind with respect to the financial or operational qualifications of the DS Supplier. The Company will treat all DS Suppliers in a non-discriminatory manner and shall provide no preference to any DS Supplier.

6.12 Multiple DS Supply Agreements

It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the effective date of this Agreement or is entered into after the effective date of this Agreement, the Company will calculate the Margin applicable to all such agreements as set forth herein. Each DS Supplier that is a party to such other agreements with the Company for the provision of DS Supply hereby agrees that such other agreements are deemed amended by this Agreement for the purpose of calculating the Margin as described herein.

ARTICLE 7: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT

7.1 Load Obligations

The Company and the DS Supplier acknowledge and agree that (1) the DS Supplier shall determine the DS Load, (2) the Company shall allocate the DS Supply obligation using the DS Supplier Responsibility Share, (3) the DS Supplier shall provide the DS Supplier's DS Supply obligation to PJM, and (4) the DS Supplier shall be responsible for meeting its DS Supply obligations as a LSE under the PJM Agreements.

7.2 Data Transmission

The procedures for transmitting load obligation data to PJM for DS Supplier's DS Load shall be as set forth by PJM.

7.3 Energy Scheduling

The Company is not obligated to provide any day ahead scheduling services. If the Company chooses to provide such services, the information provided is not guaranteed by the Company.

ARTICLE 8: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS

8.1 Energy Settlement By PJM

The settlement process occurs at PJM to reflect the DS Supplier's actual Energy obligations in a supply/usage reconciliation process. The Energy obligations for each DS Supplier will be determined based on the DS Supplier Responsibility Share of the DS Load. The reconciled total DS Energy obligation will be based on the final total Energy loads for the Customers receiving DS service, including duration adjustments for marginal losses.

Any adjustments for billing and metering errors reported subsequent to the calculation of FMEA will be proportionally allocated by the Company to the DS Suppliers based on the respective DS Supplier Responsibility Share.

8.2 Energy Settlement by the Company

In the event that actual DS Customer consumption data is not available until after the PJM deadline for conducting the final settlement, the Company will conduct the settlement process with the DS Supplier. In the event PJM imposes penalties against the Company as a result of the DS Supplier's Transactions or failure to meet PJM requirements, such penalties shall be passed through by the Company, to the DS Supplier as part of this settlement process. In addition, all other applicable charges from PJM, including any billing adjustments, will be appropriately allocated to the DS Supplier.

ARTICLE 9: BILLING AND PAYMENT

9.1 The Company Payment of Obligations to the DS Supplier

The Company shall pay all amounts due to the DS Supplier hereunder in accordance with the following provisions:

(a) Each Billing Month, the DS Supplier will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown in Appendix C, multiplied by the Seasonal Billing Factor, if applicable, for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage as shown in Appendix C for each hour of the Billing Month.

(b) The Statement will be sent to the Company within seven (7) Business Days after the end of the Billing Month via overnight mail or other expeditious means.

(c) The Company shall make payment on the first Business Day after the 19th day of each calendar month.

(d) To the extent that the FMEA differs from the PMEA, the Company shall pay or charge the DS Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement.

(e) If each Party owes an amount to the other Party pursuant to this Agreement, including any related interest, payments or credits, the Parties may satisfy their respective obligations to each other by netting the aggregate amounts due to one Party against the

aggregate amounts due to the other Party, with the Party, if any, owing the greater aggregate amount paying the other Party the difference between the amounts owed.

(f) Payments shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(g) The Company shall make payments of funds payable to the DS Supplier by electronic transfer to a bank designated by the DS Supplier.

(h) If a good faith dispute arises between the Company and the DS Supplier regarding a Statement, the disputing Party shall be obligated to pay only the undisputed portion of the Statement, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within one hundred twenty (120) calendar days from the date of the Statement in dispute. Statement disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a Statement dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a Statement dispute was received by the non-disputing Party.

(i) If payment is made to the DS Supplier after the due date shown on the Statement, a late fee will be added to the unpaid balance until the entire Statement is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding

day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

9.2 Billing for DS Supplier's Obligations to Other Parties

The Company shall have no responsibility for billing between the DS Supplier and PJM; the DS Supplier and any Energy or Capacity source; or the DS Supplier and any other third party. The Company will be solely responsible for billing DS Customers for Default Service.

9.3 The DS Supplier Payment of Obligations to the Company

The DS Supplier shall pay all Charges it incurs hereunder in accordance with the following provisions:

(a) Each Billing Month, the Company shall submit an invoice to the DS Supplier for all Charges owed by the DS Supplier under this Agreement. The DS Supplier shall make payment for Charges shown on the invoice. The due date will be on the first Business Day after the 19th day of each calendar month. The invoice will be sent to the DS Supplier within seven (7) Calendar Days after the end of the Billing Month via overnight mail or other expeditious means.

(b) Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(c) The DS Supplier shall make payments of funds payable to the Company by electronic transfer to a bank designated by the Company.

(d) If a good faith dispute arises between the Company and the DS Supplier regarding an invoice, the disputing Party shall pay only the undisputed portion of the invoice, if any, and shall present the dispute in writing and submit supporting

documentation to the non-disputing Party within one hundred twenty (120) calendar days from the due date of the invoice in dispute. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a billing dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a bill dispute was received by the non-disputing Party.

(e) If payment is made to the Company after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

ARTICLE 10: SYSTEM OPERATION

The Parties shall adhere to any applicable operational requirements of PJM necessary to protect the integrity of the transmission system within the PJM Control Area and the transmission systems of interconnected control areas, and shall satisfy any and all PJM, RFC and NERC criteria, when applicable. The DS Supplier shall also adhere to any applicable operational requirements of the Company necessary to protect the integrity of the Company's local distribution system.

10.1 Disconnection and Curtailment By the Company

The Company shall have the right, without incurring any liability to the DS Suppliers, to disconnect (or otherwise curtail, interrupt or reduce deliveries from) the DS Suppliers or to disconnect (or otherwise curtail, interrupt or reduce deliveries to) any Customer whenever the Company determines in the exercise of its good faith discretion, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; or due to any other reason affecting the safe and reliable operation of the Company's or a Customer's facilities, including, without limitation, an Emergency, forced outage or potential overloading of the Company's transmission and/or distribution circuits, potential damage to any Customer's facilities or any risk of injury to persons or property.

10.2 Inadvertent Loss of Service to DS Customers

The Parties agree and acknowledge that service to DS Customers may be inadvertently lost due to storms, weather, accidents, breakage of equipment or other events beyond the reasonable control of the Company affecting the transmission and distribution system of the Company. Neither Party will have any liability to the other Party for the

occurrence of such events except for the Company's obligation to pursue steps for the resumption of the disrupted service as set forth in Section 10.3 below. In no event will an inadvertent loss of service affect a Party's obligation to make any payments then due or becoming due with respect to performance rendered prior to such inadvertent loss of service.

10.3 Good Faith Efforts

The Company shall use good faith efforts to: (a) minimize any curtailment, interruption or reduction in service to DS Customers to the extent reasonably practicable under the circumstances; (b) provide the DS Supplier with prior notification of any curtailment, interruption or reduction in service to DS Customers, to the extent reasonably practicable; and (c) resume service to DS Customers as promptly as reasonably practicable.

10.4 PJM Requirements

The DS Supplier acknowledges and agrees that, as a member of PJM, the Company is bound by all PJM operating instructions, policies and procedures as are currently set forth in the PJM Operating Manual, which are available through the Internet on the PJM Home Page (http://www.pjm.com), as may be revised from time to time, which are needed to maintain the integrity of the PJM system. The DS Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Emergency Operations Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer load by either manual or automatic means.

10.5 Compliance with Governmental Directives

The DS Supplier also acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect DS Customer load. The DS Supplier agrees to cooperate with the Company in order to comply with said directives.

ARTICLE 11: DISPUTE RESOLUTION

11.1 Informal Resolution of Disputes

Before pursuing resolution of any dispute arising out of this Agreement (other than an Event of Default under Article 5.1(a)-(i), (l), or (p)), the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Article 11.1 (Informal Resolution of Disputes), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Index from the original due date through the date of payment.

11.2 Recourse to Agencies or Courts of Competent Jurisdiction

After the requirements of Article 11.1 (Informal Dispute Resolution) have been satisfied, all unresolved disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act ("FPA"), with the PaPUC under relevant provisions of the Applicable Legal Authorities, with a Pennsylvania State court or a federal court of competent jurisdiction and within reasonably close proximity to the Company. The Party's agreement hereunder is without prejudice to any Party's right to contest the jurisdiction of the agency or court to which a complaint is brought.

The Parties hereby acknowledge and agree that both Parties have negotiated and entered into this Agreement freely and in good faith and that the terms of this Agreement have not been affected in any way, either directly or indirectly, by (A) any fraud, duress, unfairness, or any inequity in the relative bargaining power of the Parties or (B) any manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

To the extent permitted by law and absent agreement to the contrary, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives its rights (i) to argue before any governmental authority that any review, modification, or rescission of this Agreement should be considered under any standard of review other than the "public interest" standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine"), and (ii) to argue before any governmental authority that any terms of this Agreement should be modified or rescinded based on (A) any claim of fraud, duress, unfairness, bad faith, or inequity in the relative bargaining power of the Parties or (B) any claim of market manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

ARTICLE 12: REGULATORY AUTHORIZATIONS AND JURISDICTION

12.1 Compliance with Applicable Legal Authorities

The Company and the DS Supplier are subject to, and shall comply with, all existing or future applicable federal, State and local laws, all existing or future duly-

promulgated orders or other duly-authorized actions of PJM or of Applicable Legal Authorities.

12.2 FERC Jurisdictional Matters

The inclusion herein of descriptions of procedures or processes utilized by PJM or otherwise subject to the jurisdiction of FERC is intended solely for informational purposes. If anything stated herein is found by the FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA or if any existing procedures or processes utilized by PJM are duly modified, the applicable FERC rule, regulation, order, determination or modification shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company and/or the DS Supplier, if applicable, shall use reasonable commercial efforts to secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

12.3 Energy Efficiency, Conservation, On-Site Generation and Retail Market Programs

DS Supplier acknowledges that DS Customers may participate in energy efficiency and conservation programs offered by the Company (required by Applicable Legal Authorities or otherwise offered by the Company whether voluntarily or not), by PJM, or by other third parties and, for the avoidance of doubt, any programs offered or conducted by the Company or other entities relating to or arising from the PaPUC's Investigation of Pennsylvania's Retail Electricity Market, PaPUC Docket No. I-2011-2237952 (including legislation enacted to address the Commission's Final Order in Docket No. I-2011-2237952), and that such participation may reduce or change the amount of DS Supply that

DS Supplier is required to provide and the amount of monies it may receive under this Agreement. Furthermore, DS Supplier acknowledges that DS Customers may use, construct and rely on on-site generation facilities, including co-generation, solar, wind and other facilities. The Company shall have no obligation whatsoever to DS Supplier with respect to the effect, if any, of such programs. DS Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

ARTICLE 13: LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

13.1 Limitations on Liability

Except as set forth in this Agreement, there is no warranty of merchantability or fitness for a particular purpose, and any and all implied warranties are disclaimed. The Parties confirm that the express remedies and measures of Damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of Damages is provided, such express remedy or measure of Damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision and all other remedies or Damages at law or in equity are waived. If no remedy or measure of Damages is expressly provided herein, the obligor's liability shall be limited to direct actual Damages only, such direct actual Damages shall be the sole and exclusive remedy and all other remedies or Damages at law or in equity are waived. Unless expressly herein provided, neither Party shall be liable for consequential, incidental, punitive, exemplary or indirect Damages, lost profits or other business interruption Damages, by statute, in tort or contract, under any indemnity provision or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of Damages be without regard to the cause or causes related thereto, including the negligence or any Party, whether such negligence by sole, joint or concurrent, or active or passive. To the extent any Damages required to be paid hereunder are liquidated, the Parties acknowledge that the Damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the Damages calculated hereunder constitute a reasonable approximation of the harm or loss.

13.2 Risk of Loss

Solely for purposes of determining risk of loss and for determining the indemnity obligations under Article 14 of this Agreement, the Company shall be deemed to have custody and control of the electric Energy delivered by the DS Supplier upon receipt thereof into the Company's distribution system and until delivery thereof at the retail electric meter of the Customer; and the DS Supplier shall be deemed to have custody and control of the DS Supply at all times prior to receipt thereof by the Company. The Party deemed to have custody and control of DS Supply shall be responsible for all loss or damage to property or injury or death to persons arising in connection with such DS Supply while in its custody and control and shall indemnify the other Parties with respect to same as set forth in Article 14 of this Agreement.

ARTICLE 14: INDEMNIFICATION

14.1 Indemnification

(a) Should the Company become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the DS Supplier with respect to an obligation arising under or in connection with this Agreement, or for which the DS Supplier has otherwise assumed liability under the terms of this Agreement, the DS Supplier shall defend (at the Company's option), indemnify and hold harmless the Company, its shareholders, board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Company. The Company may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(b) Should the DS Supplier (the "Indemnified DS Supplier") become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the Company with respect to an obligation arising under or in connection with this Agreement, or for which the Company has otherwise assumed liability under the terms of this Agreement, the Company shall defend (at the option of the Indemnified DS Supplier), indemnify and hold harmless the Indemnified DS Supplier, its shareholders,

board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Indemnified DS Supplier. The Indemnified DS Supplier may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(c) If either Party intends to seek indemnification under Article 14.1(a) or 14.1(b), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld, conditioned or delayed.

14.2 Survives Agreement

The obligation of a Party to defend, indemnify, and hold harmless another Party under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

ARTICLE 15: FORCE MAJEURE

15.1 Force Majeure

Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfills the requirements set forth in Article 15.2 (Notification).

15.2 Notification

A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 16: MISCELLANEOUS PROVISIONS

16.1 Notices

Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail or courier service. Notice may also be provided via e-mail or facsimile transmission (with the original transmitted by any of the other delivery methods specified in the previous sentence) addressed per the notification information for the DS Supplier and Company as set forth in Appendix C hereto.

Such notices, demands or requests shall also be provided to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.

16.2 No Prejudice of Rights

The failure of a Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

16.3 Assignment

Parties shall not assign any of their rights or obligations under this Agreement without obtaining the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. The Company agrees that it shall grant its consent to a

proposed assignment by the DS Supplier if the proposed assignee meets all of the Company's creditworthiness requirements then in effect under this Agreement and any applicable load cap restrictions. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained. Any assignment in violation of this Section 16.3 shall be void; provided, however, the Company may assign any or all of its rights and obligations under this Agreement notwithstanding anything contained herein to the contrary, without the DS Supplier's consent, to any entity succeeding to all or substantially all of the assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof and all necessary regulatory approvals are obtained. The DS Supplier may, with prior written notice to the Company but without obtaining the approval of the Company, assign the accounts, revenues or proceeds under this Agreement to a third party. The Company agrees that, following receipt of such notice of the assignment of accounts, revenues or proceeds and such other documentation that the Company may reasonably request, the Company will pay amounts becoming due to the assigning DS Supplier under this Agreement directly to the designated assignee; provided, however, that nothing herein shall enlarge or expand the rights of such designated assignee beyond the rights granted to the DS Supplier and the right of such designated assignee to receive payments shall be subject to all defenses, offsets and claims of the Company arising under this Agreement.

16.4 Governing Law and Venue

To the extent not subject to the jurisdiction of the FERC, questions including those concerning the formation, validity, interpretation, execution, amendment, termination and construction of this Agreement shall be governed by the laws of the Commonwealth of

Pennsylvania, without regard to principles of conflicts of law. Except for matters jurisdictional to FERC, the PUC or the appellate courts having jurisdiction over the PUC or FERC matters, all disputes hereunder shall be resolved in the Pennsylvania State court or Federal court of competent jurisdiction and within reasonably close proximity to the Company. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

16.5 Regulatory Approvals

DS Supplier agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the Agreement and/or Transaction Confirmations hereunder. The commencement of the Delivery Period and the obligations hereto are subject to (i) the receipt or waiver by Company of all Company required regulatory approvals, (ii) the receipt or waiver by DS Supplier of all DS Supplier required regulatory approvals, and (iii) Pennsylvania PUC approval.

16.6 Headings

The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

16.7 Third Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties hereto and nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

16.8 General Miscellaneous Provisions

(a) This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership

obligation or liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

(b) Cancellation, expiration or Early Termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including warranties, remedies, promises of indemnity and confidentiality.

(c) Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the agreement of the Parties; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.

(d) Each of the Parties acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This Agreement is intended by the Parties as a final expression of their agreement. The Parties further agree that this Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the Parties relating thereto. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement or any Transaction.

16.9 Taxes

As between the Parties: (i) The DS Supplier is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on the wholesale sales of DS Supply under this Agreement; and (ii) The Company is responsible for the payment of all taxes imposed by all present and future federal, state, municipal or other taxes imposed by any taxing authority on retail sales of DS Supply under this Agreement. Should the DS Supplier be required to remit any Pennsylvania State Sales and Use Taxes directly to the applicable taxing authority, other than taxes previously collected by the DS Supplier on behalf of the Company, the Company will defend and indemnify the DS Supplier for such Sales and Use Taxes and will pay to the DS Supplier all such tax amounts upon demand. If any Transaction is exempt from the payment of any such taxes, the affected DS Supplier will, if requested, provide the Company with valid tax exemption certificates. Should the Company be required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the DS Supplier, the DS Supplier will defend and indemnify the Company and will pay to the Company all such tax amounts upon demand.

16.10 Audit

Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Article 9 (Billing) and 9.1 (i) (Interest on Unpaid Balances) of this Agreement.

16.11 Rules of Interpretation

The following principles shall be observed in the interpretation and construction of this Agreement:

(a) Unless otherwise stated, the terms "include" and "including" when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;

(b) All titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;

(c) References to the singular include the plural and vice versa;

(d) References to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;

(e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing; and

(f) If any payment due under this Agreement would be, by operation of the terms and conditions of any provision hereof, due and payable on a day other than a Business Day, such payment shall be made on the next following Business Day.

16.12 Confidentiality

(a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the

receiving Party on a non-confidential basis; (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation; or (v) such disclosure is made to PJM or Pa PUC and is necessary in order for the Transactions contemplated by this Agreement to be consummated or to otherwise comply with the provisions of this Agreement.

(b) Notwithstanding any other provision of this Section 16.12, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality provisions of this Section 16.12, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.

(c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.

(d) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.12. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party breaches or threatens to breach its obligations

under this Article 16.12, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

16.13 Federal Acquisition Regulation

If any of the following clauses prescribed by the Federal Acquisition Regulation ("FAR"), 48 Code of Federal Regulations Chapter 1, should be deemed to apply to this Agreement, the DS Supplier shall comply with the requirements of such clause(s), and shall include the terms or substance of such clause(s) in its subcontracts, as and to the extent required by the FAR:

(a) Clean Air and Water: § 52.223-2;

(b) Contract Work Hours and Safety Standards Act-Overtime Compensation: § 52.222-4;

(c) Equal Opportunity: § 52.222-26;

(d) Affirmative Action for and Employment Reports on Special Disabled and Vietnam Era Veterans: § 52.222-35 and § 52.222-37;

(e) Affirmative Action for Handicapped Workers: § 52.222-36;

(f) Utilization of Small Business Concerns and Small Disadvantaged Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan: § 52.219-8 and § 52-219-9.

In case of a conflict between the provisions of the FAR and the balance of this Agreement, the requirements of the FAR shall prevail.

16.14 Binding Terms

This Agreement and the rates, terms and conditions herein shall remain in effect for the entire term hereof and each Party agrees not to seek any change to such rates, terms

and conditions pursuant to the FPA, if the FPA is deemed to have jurisdiction over this Agreement, including on the grounds that they are not just and reasonable.

16.15 Amendment

This Agreement, including the appendices hereto, cannot be amended without the written agreement of all Parties prior to such amendment becoming effective. Except as provided in Appendix C, the rates, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956)* and *Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), affirmed by Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the "Mobile-Sierra Doctrine").

16.16 Counterparts

This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument.

16.17 Successors

This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

_____ **By:** _____
[INSERT NAME]
President and Chief Executive Officer
[Citizens' or Wellsboro]

[SUPPLIER SIGNATURES APPEAR ON SUCCEEDING PAGE]

ATTEST:

_____ **By:**_____

[INSERT NAME]
[INSERT TITLE]
[INSERT WINNING BIDDER NAME]

APPENDIX A - CREDIT REQUIREMENTS

This Appendix A addresses the credit requirements and additional provisions with respect to the rights and obligations of each Party.

EDC: [CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

A. DS Supplier Credit Requirements:

Credit Rating of the DS Supplier or Guarantor, as applicable:

S&P	Moody's	Fitch	Maximum Credit Limit
A- and above	A3 and above	A- and above	$15,000,000
BBB +	Baa1	BBB +	$15,000,000
BBB	Baa2	BBB	$15,000,000
BBB-	Baa3	BBB-	$10,000,000
BB+	Ba1	BB+	$5,000,000
BB	Ba2	BB	$5,000,000
BB-	Ba3	BB-	$5,000,000
Below BB-	Below Ba3	Below BB-	N/A

DS Supplier Credit Rating Determination Methodology

The DS Supplier or its Guarantor must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating) equal to the Minimum Rating. A Guaranty substantially in the form of Appendix A-1, Form of Guaranty, shall be deemed acceptable to Company.

DS Supplier Posting Security and Return of Surplus Security

If the Mark-to-Market exposure calculated under Appendix B exceeds the Maximum Credit Limit, then the Company on any Business Day may request that the DS Supplier post a security in accordance with Article 6.7 in the excess amount, such notice to include a written statement explaining in reasonable detail the calculation of such excess amount.

DS Supplier shall deliver to Company such security within two (2) Business Days its receipt of such notice. If the security being held by the Company is not needed to satisfy the DS Supplier credit requirements, the Company shall return such surplus security to the DS Supplier within two (2) Business Days of Company's receipt of a written request by the DS Supplier, such request to include a written statement explaining in reasonable detail the calculation of such surplus amount.

B. Company Credit Requirements:

To ensure performance of its payment obligations and other duties hereunder, DS Supplier shall provide to Company ten (10) Business Days in advance of the initial Pricing Period, as set forth in the applicable Transaction Confirmation, a security calculation, and the Company shall provide to DS Supplier no later than two (2) Business Days in advance of such first Pricing Period, security in an acceptable form as defined in Article 6.7. Such security shall be in an amount equal to 1.5 times the highest projected monthly invoice for the then applicable Pricing Period for such Transaction Confirmation ("Company Security") as calculated by the DS Supplier based on a reasonable projection of expected DS Load, minus the Maximum Credit Limit specified for the Company below:

COMPANY MAXIMUM CREDIT LIMIT: [TBD]

Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such excess amount.

With respect to each subsequent Pricing Period, the DS Supplier shall refresh the Company Security calculation in advance of each Pricing Period, taking into account any security currently held by the DS Supplier and available during the subsequent Pricing Period, and

provide notice to the Company ten (10) Business Days in advance of the Pricing Period of any adjustments to the Company Security for the subsequent Pricing Period. Such calculation of the Company Security shall include a written statement explaining in reasonable detail the calculation of such adjustment amount. If the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than two (2) Business Days in advance of the new Pricing Period. If the adjustment results in the DS Supplier holding excess Company Security, the DS Supplier shall return such excess security to the Company no later than the end of the then current Pricing Period (for avoidance of confusion, in advance of the subsequent Pricing Period). If DS Supplier refreshes the Company Security calculation after the beginning of a Pricing Period instead of in advance of the Pricing Period, and the adjustment requires the Company to provide additional security to the DS Supplier, the Company shall deliver such security to DS Supplier no later than five (5) Business Days after its receipt of such notice from DS Supplier.

C. Letter of Credit:

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit, issued by a commercial bank that has an office, branch, or place of business in the United States where claims can be presented having assets of at least $10 billion and a Credit Rating of at least "A-" from S&P or "A3" from Moody's, substantially in the form set forth in Appendix A-2 attached hereto or such other form as otherwise agreed to by the Parties, which approval shall not be unreasonably withheld by a Party. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

D. Grant of Security Interest/Remedies

To secure its obligations under this Agreement and to the extent that a Party has posted Margin/collateral hereunder, such Party hereby grants to the other Party a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the other Party, and the DS Supplier and the Company agree to take such action as is reasonably required to perfect the secured Party's first priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of such Party with respect to all collateral, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party whether held in connection with this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all security held by or for the benefit of the Non-Defaulting Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Non-Defaulting Party shall apply the proceeds of the collateral realized upon the exercise of such rights or remedies to reduce the Defaulting Party's obligation

under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply (the Defaulting Party remaining liable for any amounts owing to the Non-Defaulting Party after such application), subject to the Non-Defaulting Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

Appendix A-1
Form of Guaranty

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by _____("**Guarantor**"), in favor of _____*]* ("**Counterparty**").

RECITALS:

A. WHEREAS, Counterparty and **[Winning Bidder]** ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain ***[Specify Name of Agreement]*** [dated/entered into/effective as of] _____ _____, 20__ (the "**Underlying Agreement**"); and

B. WHEREAS, Counterparty and Obligor may from time to time enter into one or more transactions pursuant and subject to the terms of the Underlying Agreement (the "**Transactions**"), which Transactions would be evidenced by one or more confirmations entered into by Obligor and Counterparty in accordance with the Underlying Agreement (which documentation shall, together with the Underlying Agreement, collectively be referred to hereinafter as the "**Agreement**"); and

C. WHEREAS, Guarantor will directly or indirectly benefit from the Transactions to be entered into between Obligor and Counterparty pursuant to the Agreement.

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Counterparty's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Counterparty as follows:

* * *

GUARANTY. Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to Counterparty arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:

Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ *[spell out the dollar amount]* U.S. Dollars (U.S. $_____) (the "**Maximum Recovery Amount**").

The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the Counterparty (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in *Section 1(a)* above). In no event, however, shall Guarantor be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

DEMANDS AND PAYMENT.

(a) If Obligor fails to pay any Obligation to Counterparty when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), Counterparty may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").

(b) Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to Counterparty is conditioned upon Guarantor's receipt of a Payment Demand from Counterparty satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with *Section 9* below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) After issuing a Payment Demand in accordance with the requirements specified in *Section 2(b)* above, Counterparty shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of New York.

REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

it is a corporation duly organized and validly existing under the laws of the State of _____and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

RESERVATION OF CERTAIN DEFENSES. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.

AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Counterparty.

WAIVERS AND CONSENTS. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Except as required in *Section 2* above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that Counterparty seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.

(b) No delay by Counterparty in the exercise of (or failure by Counterparty to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).

(c) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Counterparty may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release any person (other than Obligor or Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

REINSTATEMENT. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by Counterparty as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

TERMINATION. Guarantor may terminate this Guaranty by providing a written termination notice to Counterparty specifying the date upon which such termination will take effect (*provided* that no such termination shall take effect prior to 5:00 p.m. (Eastern Prevailing Time) on the fifth (5th) Business Day after the termination notice has been delivered to Counterparty in accordance with *Section 9* hereof). Upon the effectiveness of such termination, Guarantor shall have no further liability hereunder, except as may pertain pursuant to the last sentence of this paragraph. No such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time such termination is effective, which Obligations shall remain subject to this Guaranty.

Unless terminated earlier, this Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately [upon the **[fourth] anniversary of the Effective Date**/at 11:59:59 p.m. Eastern Prevailing Time on [**_____, 20__**]]; *provided*, *however*, that no such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time the termination is effective, which Obligations shall remain subject to this Guaranty.

NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by Counterparty to Guarantor, or by Guarantor to Counterparty, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Counterparty, as applicable, to the other in accordance with the requirements of this *Section 9*):

*TO GUARANTOR: **	*TO COUNTERPARTY:*
_____ _____	_____ _____ _____ *Attn:* [Credit Manager]
[Tel: (___) ___-____ -- for use in connection with courier deliveries]	*[Tel: (___) ___-___ -- for use in connection with courier deliveries]*

* *(NOTE: Copies of any Notices to Guarantor under this Guaranty shall also be sent via electronic mail to ATTN:.*

* *(NOTE: Copies of any Notices to Counterparty under this Guaranty shall also be sent via electronic mail to ATTN:*

However, such electronic transmissions shall not be deemed effective for delivery purposes under this Guaranty.)

Any Notice given in accordance with this *Section 9* will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

MISCELLANEOUS.

(a) This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of New York, without regard to principles of conflicts of laws thereunder (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Counterparty and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Counterparty. Counterparty may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.

(c) This Guaranty embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) Counterparty (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably: (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the Supreme

Court of the State of New York, New York County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of New York) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by Counterparty, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

(g) COUNTERPARTY (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

(h) Delivery of an executed signature page of this Guaranty, and any subsequent amendment(s), by facsimile transmission or other electronic transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed signature page hereof.

* * *

SIGNATURE ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20__, but it is effective as of the Effective Date.

[INSERT GUARANTOR NAME]

By:

_____

Name:

_____

Title:

_____

APPENDIX B - MTM EXPOSURE AMOUNT CALCULATION INFORMATION

To calculate credit exposure, a Mark-to-Market ("MtM") credit exposure methodology will be used. On each Trigger Date (as defined in Exhibit 1) the MtM will be calculated for each Billing Month of the upcoming Pricing Period by the DS Supplier, and the total MtM credit exposure will equal the sum of the MtM credit exposures for each Billing Month during such upcoming Pricing Period.

For each Billing Month during the applicable Pricing Period, the MtM will be calculated as follows:

Sum of a reasonable expectation of the amount of DS Load (kWh) for such Billing Month times (the Contract Price minus the Forward Market Price ($/kWh)).

Where:

Contract Price = the sum of the Applicable Index for DS Fixed Price load plus the Supplier Adder ($/kWh).

The Market Price Hub is PJM RT Western Hub.

For the avoidance of doubt, the MtM calculation will exclude any DS Variable Price load.

APPENDIX C - DS SUPPLY SPECIFICATIONS

The following DS Supply specifications will be specified in Transaction Confirmations to this SMA.

Product:

Full Requirements Service, meaning all of the following necessary services or products that are required to supply the DS Responsibility Share for the DS Customers associated with the Transaction Confirmation, including:

Energy, Capacity, transmission, Ancillary Services, Alternative Energy Credits for compliance with the AEPS Act, transmission and distribution system losses, congestion management costs, and such other products and services that are required except for distribution service.

Appendix D - describes Company and DS Supplier Responsibilities for PJM Billing Statement Line Item Credits and Charges associated with the Product, including assignment of NITS, Capacity and Regional Transmission Expansion Plan/Transmission Enhancement Charges ("RTEP") expenses for the default service loads to the Companies through PJM billing line item transfers ("BLITs").

Appendix E - further describes DS Supplier responsibilities for compliance with the AEPS Act in the product specification.

DS Customer Group:

Each Transaction Confirmation shall be associated with DS Supply to one of the following DS Customer categories as defined in the DS Tariff:

Residential;

Small Commercial (annual peak demands less than or equal to 400kW);

Large Commercial and Industrial (peak demands greater than 400kW)

Service Type: All rate classes on default service

Delivery Point: [Citizens' Aggregate or Wellsboro Aggregate]

Delivery Period: June 1, 2025 through May 31, 2029

Number of Tranches and Percentage for Each Tranche: 1 Tranche (100%)

DS Supplier Responsibility Share: 100%.

DS Fixed Percentage/DS Variable Percentage: The percentage of DS Supply provided at a fixed price and the percentage of DS Supply provided at a variable price will vary by month based on the usage of the Company's DS customers. The Parties will develop protocols and procedures to accurately track and reconcile deliveries between fixed and variable. In addition, such protocols and procedures will ensure that usage by customers that are served by EGSs is excluded from Supplier's obligations hereunder.

APPENDIX D – RESPONSIBILITIES FOR PJM BILLING LINE ITEMS AS DEFINED IN APPLICABLE PJM AGREEMENT OR MANUAL

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
ID#	**CHARGES**		
1000	Amount Due for Interest on Past Due Charges		X
1100	Network Integration Transmission Service	X	
1108	Transmission Enhancement	X	
1110	Direct Assignment Facilities		X
1115	Transmission Enhancement Settlement (EL05-121-009)	X	
1120	Other Supporting Facilities		X
1130	Firm Point-to-Point Transmission Service		X
1133	Firm Point-to-Point Transmission Service Resale		X
1140	Non-Firm Point-to-Point Transmission Service		X
1143	Non-Firm Point-to-Point Transmission Service Resale		X
1200	Day-ahead Spot Market Energy		X
1205	Balancing Spot Market Energy		X
1210	Day-ahead Transmission Congestion		X
1215	Balancing Transmission Congestion		X
1216	Pseudo-Tie Balancing Congestion Refund		X
1218	Planning Period Congestion Uplift		X
1220	Day-ahead Transmission Losses		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1225	Balancing Transmission Losses		X
1230	Inadvertent Interchange		X
1240	Day-ahead Economic Load Response		X
1241	Real-time Economic Load Response		X
1242	Day-ahead Load Response Charge Allocation		X
1243	Real-time Load Response Charge Allocation		X
1245	Emergency Load Response		X
1250	Meter Error Correction		X
1260	Emergency Energy		X
1301	PJM Scheduling, System Control and Dispatch Service – Control Area Administration		X
1302	PJM Scheduling, System Control and Dispatch Service – FTR Administration		X
1303	PJM Scheduling, System Control and Dispatch Service –Market Support		X
1304	PJM Scheduling, System Control and Dispatch Service – Regulation Market Administration		X
1305	PJM Scheduling, System Control and Dispatch Service – Capacity Resource/Obligation Mgmt.		X
1306	PJM Scheduling, System Control and Dispatch Service – Advanced Second Control Center		X
1307	PJM Scheduling, System Control and Dispatch Service – Market Support Offset		X
1308	PJM Scheduling, System Control and Dispatch Service Refund – Control Area Administration		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1309	PJM Scheduling, System Control and Dispatch Service Refund – FTR Administration		X
1310	PJM Scheduling, System Control and Dispatch Service Refund – Market Support		X
1311	PJM Scheduling, System Control and Dispatch Service Refund –Regulation Market Administration		X
1312	PJM Scheduling, System Control and Dispatch Service Refund – Capacity Resource/Obligation Mgmt.		X
1314	Market Monitoring Unit (MMU) Funding		X
1315	FERC Annual Charge Recovery		X
1316	Organization of PJM States, Inc. (OPSI) Funding		X
1317	North American Electric Reliability Corporation (NERC)		X
1318	Reliability First Corporation (RFC)		X
1319	Consumer Advocates of PJM States, Inc. (CAPS)		X
1320	Transmission Owner Scheduling, System Control and Dispatch Service		X
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service		X
1340	Regulation and Frequency Response Service		X
1350	Energy Imbalance Service		X
1360	Synchronized Reserve		X
1362	Non-Synchronized Reserve		X
1365	Day-ahead Scheduling Reserve		X
1370	Day-ahead Operating Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1371	Day-ahead Operating Reserve for Load Response		X
1375	Balancing Operating Reserve		X
1376	Balancing Operating Reserve for Load Response		X
1377	Synchronous Condensing		X
1378	Reactive Services		X
1380	Black Start Service		X
1390	Fuel Cost Policy Penalty		X
1400	Load Reconciliation for Spot Market Energy		X
1410	Load Reconciliation for Transmission Congestion		X
1420	Load Reconciliation for Transmission Losses		X
1430	Load Reconciliation for Inadvertent Interchange		X
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		X
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		X
1442	Load Reconciliation for Schedule 9-6 – Advanced Second Control Center		X
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding		X
1445	Load Reconciliation for FERC Annual Charge Recovery		X
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		X
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)		X
1448	Load Reconciliation for Reliability First Corporation (RFC)		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1449	Load Reconciliation for Consumer Advocates of PJM States, Inc. (CAPS) Funding		X
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		X
1460	Load Reconciliation for Regulation and Frequency Response Service		X
1470	Load Reconciliation for Synchronized Reserve		X
1472	Load Reconciliation for Non-Synchronized Reserve		X
1475	Load Reconciliation for Day-ahead Scheduling Reserve		X
1478	Load Reconciliation for Operating Reserve		X
1480	Load Reconciliation for Synchronous Condensing		X
1490	Load Reconciliation for Reactive Services		X
1500	Financial Transmission Rights Auction		X
1600	RPM Auction	X	
1610	Locational Reliability	X	
1650	Auction Specific MW Capacity Transaction		X
1660	Load Management Compliance Penalty		X
1661	Capacity Resource Deficiency		X
1662	Generation Resource Rating Test Failure		X
1663	Qualifying Transmission Upgrade Compliance Penalty		X
1664	Peak Season Maintenance Compliance Penalty		X
1665	Peak-Hour Period Availability		X
1710	PJM/MISO Seams Elimination Cost Assignment		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
1720	RTO Start-up Cost Recovery		X
1730	Expansion Cost Recovery		X
1900	Unscheduled Transmission Service		X
1910	Ramapo Phase Angle Regulators		X
1911	Michigan-Ontario Interface Phase Angle Regulators		X
1920	Station Power		X
1930	Generation Deactivation		X
1932	Generation Deactivation Refund		X
1950	Virginia Retail Administrative Fee		X
1952	Deferred Tax Adjustment		X
1955	Deferral Recovery		X
1957	Schedule 11A PJM Net		X
1980	Miscellaneous Bilateral		X
1995	PJM Annual Membership Fee		X
1999	PJM Customer Payment Default		X
ID#	**CREDITS**		
2100	Network Integration Transmission Service	X	
2108	Transmission Enhancement	X	
2110	Direct Assignment Facilities		X
2120	Other Supporting Facilities		X
2130	Firm Point-to-Point Transmission Service		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2132	Internal Firm Point-to-Point Transmission Service		X
2133	Firm Point-to-Point Transmission Service Resale		X
2140	Non-Firm Point-to-Point Transmission Service		X
2142	Internal Non-Firm Point-to-Point Transmission Service		X
2143	Non-Firm Point-to-Point Transmission Service Resale		X
2210	Transmission Congestion		X
2211	Day-ahead Transmission Congestion		X
2215	Balancing Transmission Congestion		X
2217	Planning Period Excess Congestion		X
2218	Planning Period Congestion Uplift		X
2220	Transmission Losses		X
2240	Day-ahead Economic Load Response		X
2241	Real-time Economic Load Response		X
2245	Emergency Load Response		X
2260	Emergency Energy		X
2320	Transmission Owner Scheduling, System Control and Dispatch Service		X
2330	Reactive Supply and Voltage Control from Generation and Other Sources		X
2340	Regulation and Frequency Response Service		X
2350	Energy Imbalance Service		X
2360	Synchronized Reserve		X
2362	Non-Synchronized Reserve		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2365	Day-ahead Scheduling Reserve		X
2370	Day-ahead Operating Reserve		X
2371	Day-ahead Operating Reserve for Load Response		X
2375	Balancing Operating Reserve		X
2376	Balancing Operating Reserve for Load Response		X
2377	Synchronous Condensing		X
2378	Reactive Services		X
2380	Black Start Service		X
2390	Fuel Cost Policy Penalty		X
2415	Balancing Transmission Congestion Load Reconciliation		X
2420	Load Reconciliation for Transmission Losses		X
2500	Financial Transmission Rights Auction		X
2510	Auction Revenue Rights		X
2600	RPM Auction	X	
2620	Interruptible Load for Reliability	X	
2630	Capacity Transfer Rights		X
2640	Incremental Capacity Transfer Rights		X
2650	Auction Specific MW Capacity Transaction		X
2660	Load Management Compliance Penalty		X
2661	Capacity Resource Deficiency		X
2662	Generation Resource Rating Test Failure		X

		Responsible Party	
ID #	**PJM Billing Statement Line**	**BLIT**	**DS Supplier Adder**
2663	Qualifying Transmission Upgrade Compliance Penalty		X
2664	Peak Season Maintenance Compliance Penalty		X
2665	Peak-Hour Period Availability		X
2710	PJM/MISO Seams Elimination Cost Assignment		X
2720	RTO Start-up Cost Recovery		X
2730	Expansion Cost Recovery		X
2910	Ramapo Phase Angle Regulators		X
2912	CT Lost Opportunity Cost Allocation		X
2930	Generation Deactivation		X
2932	Generation Deactivation Refund		X
2950	Virginia Retail Administrative Fee		X
2980	Miscellaneous Bilateral		X
2996	Annual PJM Cell Tower		X
2997	Annual PJM Building Rent		X

APPENDIX E – DS SUPPLIER'S OBLIGATIONS FOR AEPS COMPLIANCE

To satisfy AEPS with respect to the DS Supplier's Responsibility Share, DS Supplier shall fulfill the following obligations:

(1) Providing sufficient AECs for each tranche awarded via the DS Solicitation less the Allocated AECs; AEC requirements are driven by each Company submitting load data at the meter point into the AEPS website. The Company will provide DS Supplier with the Obligation letter from PennAEPS for each Energy Year "EY".

(2) Paying any AEPS penalties, costs, charges, etc. assessed against the DS Supplier and/or the Company associated with the DS Supplier's non-performance with AEPS requirements;

(3) Submitting to the Company proof of AEPS compliance under this Agreement in such form and manner as may be required by the Company.

(4) Provide to the Company all information the Company may require to comply with the AEPS Act and its implementing regulations and other Requirements of Law, including, but not limited to the price paid per AEC required by 73 Pa.C.S. §1648.3(e)(8).

This Appendix E shall confirm the Alternative Energy Portfolio Standards Obligation of the Transaction agreed to on March __, 2025 ("Bid Proposal Due Date").

Alternative Energy Portfolio Standards Obligations for the period beginning June 1, 2025 based on the total MWh supplied by DS Supplier:

Compliance Period	Tier 1	PV	Tier 2
6/1/2025 to 5/31/2026	8.0%	0.5000%	10%
6/1/2026 to 5/31/2027	8.0%	0.5000%	10%

6/1/2027 to 5/31/2028	8.0%	0.5000%	10%
6/1/2028 to 5/31/2029	8.0%	0.5000%	10%

The Tier 1 percentages are inclusive of the PV percentages. For example, of the 8.0% of retail sales required to come from Tier 1 sources during the 2025/2026 Compliance Period, at least 0.5000% of all retail sales must come from PV sources.

In the event of a change to the AEPS Act ("AEPS Change in Law"), DS Supplier shall be responsible for procuring additional AECs required due to the AEPS Change in Law for Wellsboro and/or Citizens' default service load. DS Supplier shall be able to pass through without markup the additional costs incurred due to the AEPS Change in Law; however, such additional costs shall not exceed 105% of the reported mid-price on AMEREX for the product or products on the 60th day preceding commencement of the PJM Compliance Year(s) (May 31 – June 1) for which the AEPS Change in Law applies. If the 60th day preceding commencement of the Compliance Year is not a trading day, then the reported price(s) shall be as of the first trading day after that date.

If the Alternative Energy Portfolio Requirements change for any reason other than a change to the AEPS Act, such as an update to Section 2814(c) of the Public Utility Code, 66 Pa. C.S. § 2814(c), the DS Supplier shall be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service.

Allocated AECs: Supplier shall take on assignment of any AECs purchased by Company prior to the Effective Date, which shall be specified below:

NONE

EXHIBIT 1
TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated March __, 2025, between **[Citizens' Electric Company of Lewisburg, PA or Wellsboro Electric Company]** ("Company") and **[Winning Bidder]** ("DS Supplier"). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on March __, 2025 ("Transaction Date").

Product:	Full Requirements - Load Following
Service Type:	DS Customers
Delivery Point:	**[Citizens' Aggregate or Wellsboro Aggregate]**
Delivery Period:	June 1, 2025 through May 31, 2029
Bid Blocks:	1
Specified Percentage:	100% of DEFAULT SERVICE Load
Supplier Adder:	_____ cents per kWh
Monthly Settlement Price:	(Applicable index + Supplier Adder) x Hourly DSP kWh
Applicable Index:	DS Variable Price Load: monthly load-weighted average of the Real Time PJM Western Hub LMP (kWh)

DS Fixed Price Load: Mathematical Average of Monthly Prices for PJM Western Hub Real-Time Peak (800MWh) Fixed Price (cents per kWh) at the Trigger Date (defined below) as published by the Intercontinental Exchange ("ICE").

If, at any time during the Delivery Period, the Applicable Index is not published by ICE, the Company and DS Supplier shall use commercially reasonable best efforts to agree on a market index substantially equivalent to the Applicable Index.

Trigger dates will be announced by 3:00 PM EPT for pricing at the end of the same day. If a Trigger Date is announced that falls on a day other than a Business Day, the actual Trigger Date will be the next Business Day following the announced Trigger Date. If no Trigger Date for a Pricing Period has been announced by the final day of the Trigger Date date range (defined below), the Trigger Date shall be the final day of the Trigger Date date range for that applicable Pricing Period; provided that if such Trigger Date has not been announced for a Pricing Period and the final date of the Trigger Date date range for the applicable Pricing Period is not a Business Day, then the following Business Day shall be the Trigger Date for such Pricing Period.

Price Period	Pricing Formula/Period	Trigger Date
June 1, 2025 – Nov. 30, 2025	50% 6 month Av. (June 2025 – Nov. 2025) 50% 12 month Av. (June 2025 – May 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (Apr. 1, 2025 – Apr. 15, 2025)
Dec. 1, 2025 – May 31, 2026	50% 12 month Av. (June 2025 – May 2026) 50% 12 month Av. (Dec. 2025 – Nov. 2026)	TBD (Apr. 1, 2025 – Apr. 15, 2025) TBD (June 1, 2025 – Oct. 15, 2025)
June 1, 2026 – Nov. 30, 2026	50% 12 month Av. (Dec. 2025 – Nov. 2026) 50% 12 month Av. (June 2026 – May 2027)	TBD (June 1, 2025 – Oct. 15, 2025) TBD (Dec. 1, 2025 – Apr. 15. 2026)
Dec. 1, 2026 – May 31, 2027	50% 12 month Av. (June 2026 – May 2027) 50% 12 month Av. (Dec. 2026 – Nov. 2027)	TBD (Dec. 1, 2025 – Apr. 15, 2026) TBD (June 1, 2026 – Oct. 15, 2026)
June 1, 2027 – Nov. 30, 2027	50% 12 month Av. (Dec. 2026 – Nov. 2027) 50% 12 month Av. (June 2027 – May 2028)	TBD (June 1, 2026 – Oct. 15, 2026) TBD (Dec. 1, 2026 – Apr. 15, 2027)
Dec. 1, 2027 – May 31, 2028	50% 12 month Av. (June 2027 – May 2028) 50% 12 month Av. (Dec. 2027 – Nov. 2028)	TBD (Dec. 1, 2026 – Apr. 15, 2027) TBD (June 1, 2027 – Oct. 15, 2027)
June 1, 2028 – Nov. 30, 2028	50% 12 month Av. (Dec. 2027 – Nov. 2028) 50% 12 month Av. (June 2028 – May 2029)	TBD (June 1, 2027 – Oct. 15, 2027) TBD (Dec. 1, 2027 – Apr. 15, 2028)
Dec. 1, 2028 – May 31, 2029	50% 12 month Av. (June 2028 – May 2029) 50% 6 month Av. (Dec. 2028 – May 2029)	TBD (Dec. 1, 2027 – Apr. 15, 2028) TBD (June 1, 2028 – Oct. 15, 2028)

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation by electronic mail at **[insert Citizens' or Wellsboro email address]**. The signatories to this Transaction must have the authority to enter into this Transaction.

[CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA OR WELLSBORO ELECTRIC COMPANY]

By: _____
Name: **[INSERT NAME]**.
Title: President and CEO

[WINNING BIDDER]

By:_____
Name: **[INSERT NAME]**
Title: **[INSERT TITLE]**

EXHIBIT 2
FORM OF NOTICE

Any notices required under this Agreement shall be made as follows:

Buyer: **[CITIZENS' OR WELLSBORO]**	DS Supplier: **[WINNING BIDDER]**
All Notices:	**All Notices:**
Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:	Street: City/State/Zip: Attn: Phone: Email: Duns: Federal Tax ID Number:
Invoices:	**Invoices:**
Attn: Phone: Email:	Attn: Phone: Email:
Scheduling:	**Scheduling:**
Attn: Phone: Email:	Attn: Phone: Email:
Payments:	**Payments:**
Attn: Phone: Email:	Attn: Phone: Email:
Wire Transfer:	**Wire Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:
ACH Transfer	**ACH Transfer**
BNK: ABA: ACCT:	BNK: ABA: ACCT:

Credit and Collections:

Attn:
Phone:
Email:

With additional Notices of an Event of Default to:

Attn:
Phone:
Email

Credit and Collections:

Attn:
Phone:
Email:

With Additional Notices of an Event of Default to:

Attn:
Phone:
Email:

EXHIBIT 3
DECLARATION OF AUTHORITY

PRINCIPAL AGENT DECLARATION OF AUTHORITY

This DECLARATION OF AUTHORITY ("Declaration") is a declaration and certification between [Principal Company Name], a [Principal State of Incorporation] [Principal Type of Entity] with its principal place of business located at [Principal Address] ("Principal" – PJM Member), [Agent Company Name], a [Agent State of Incorporation] [Agent Type of Entity] with its principal place of business located at [Agent Address] ("Agent"), and PJM Interconnection, L.L.C. ("PJM LLC"), a Delaware Limited Liability Company, (collectively the "Parties").

RECITALS:

WHEREAS, PJM LLC is a Regional Transmission Organization and Independent System Operator subject to the jurisdiction of the Federal Energy Regulatory Commission;

WHEREAS, PJM Settlement, Inc. ("PJM Settlement") is a Pennsylvania non-profit corporation, incorporated for the purpose of providing billing and settlement functions and credit and risk management functions for PJM. References to "PJM" in this Declaration are to PJM LLC and/or PJM Settlement, collectively, with regard to their respective functions;

WHEREAS, PJM LLC and PJM Settlement administer and settle centralized markets that clear various electric energy and energy-related products among multiple buyers and sellers;

WHEREAS, Principal is a PJM Member and seeks to obtain, or is obtaining, services provided or administered by PJM, seeks to participate, or is participating in, markets administered by PJM, or seeks to engage in, or is engaging in, operations that use or affect the integrated transmission system operated by PJM;

WHEREAS, such activities or contemplated activities by Principal and Agent are governed by rights, responsibilities and obligations established by or under the PJM Open Access Transmission Tariff ("Tariff"), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), Reliability Assurance Agreement Among Load-serving Entities in the PJM Region ("RAA"), and other agreements, manuals, and practices of PJM (the Tariff, the Operating Agreement, the RAA, and such other agreements, manuals, and practices of PJM, the "PJM Agreements");

WHEREAS, Principal and Agent each derive benefit from entering into this Declaration;

WHEREAS, Principal and Agent are parties to an agreement, the terms of which are not incorporated herein, in which Principal has authorized Agent to act for Principal with respect to certain rights, responsibilities and obligations on behalf of Principal, including serving as a financial obligor as it relates to Principal's obligations and responsibilities under the Tariff, RAA and or Operating Agreement identified herein;

WHEREAS, Principal and Agent desire to declare to PJM their respective authorities

concerning such rights, responsibilities and obligations, and intend that PJM rely upon such declaration; and

WHEREAS, Principal and Agent hereby agree that this Declaration shall supersede and replace all prior declarations of authority entered into between Principal and Agent regarding the authorities and resources described herein.

NOW, THEREFORE, acknowledging that PJM will rely on the truth, accuracy, and completeness of the statements made below, Principal and Agent, as indicated below, make the following certifications:

1. Exclusivity of Agent's Authority.

Pursuant to a binding, legally enforceable agreement, Principal has authorized Agent to act for Principal with respect to certain Authorized Rights, Responsibilities, and Obligations as specified in section 2 of this Declaration. With respect to the Authorized Rights, Responsibilities and Obligations, Agent is authorized to communicate and transact with PJM as Principal's sole and exclusive agent, and PJM is authorized to communicate and transact directly and exclusively with Agent as Principal's agent. With respect to the Authorized Rights, Responsibilities, and Obligations, Principal will abide by any direction issued by PJM to Agent.

2. Specification of Authorized Rights, Responsibilities and Obligations.

In the following subparts, Principal and Agent specify the rights, responsibilities and obligations for which Principal authorizes Agent to act for Principal (the "Authorized Rights, Responsibilities, and Obligations"). The Authorized Rights, Responsibilities, and Obligations apply only to those portions of Principal's facilities and/or directly served loads located in the PJM Region[1] and identified herein, and to no other facilities or loads of Principal.

[Only responsibilities selected will be shown on document]

Load Server Responsibilities.

Load – Energy, Ancillary Service and Capacity in Principal's Account: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Principal's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

[1] Capitalized terms not otherwise defined herein have the meaning specified in, as applicable, the Tariff, the Operating Agreement, and the Reliability Assurance Agreement among Load-Serving Entities in the PJM Region ("RAA")

Load – Energy, Ancillary Service and Capacity in Agent's Account: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the energy, ancillary service and capacity obligations of a Load Serving Entity under the PJM Agreements, in Agent's account established within PJM's system, including, without limitation, fulfilling obligations associated with managing energy supply requirements, Black Start Service, Non-Retail Behind the Meter Generation, Self-Supply, Fixed Resource Requirement ("FRR") Capacity Plan, Reliability Pricing Model ("RPM") and overall capacity Delivery Year requirements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain, and/or administer Auction Revenue Rights ("ARRs") or Financial Transmission Rights ("FTRs") with respect to service of Principal's load, in accordance with the PJM Agreements, for the Accounts listed below and any current and subsequent associated sub-accounts.

Load – Transmission Service: Principal authorizes Agent to perform the Transmission Service-related obligations, roles and responsibilities of Principal in accordance with the PJM Agreements, including, without limitation, providing or arranging for Transmission Service to the Principal's load(s) requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf, for the Accounts listed below and any current and subsequent associated sub-accounts.

PJM Org. ID	PJM Short Name	Current PJM Long Name	New PJM Long Name

Generator Responsibilities.

Generator – Energy Dispatching: Principal authorizes Agent to operate or to direct the operations of the Principal's generation resource(s), listed below, in all events, including, without limitation, to emergencies, and shall operate such resource(s) in a manner that is consistent with the standards, requirements, or directions of PJM, in accordance with the PJM Agreements.

Generator – Telemetry Using Principal's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Principal's telemetry communication link provided by PJM to Principal, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Telemetry Using Agent's Link: Principal authorizes Agent to communicate electronically on behalf of Principal with PJM, using Agent's telemetry communication link provided by PJM to Agent, including, without limitation, real-time data, monitoring data and dispatch instructions with PJM during normal and emergency conditions.

Generator – Energy Scheduling: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of energy and ancillary services, excluding Black Start Service, from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Capacity: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of capacity from Principal's generation resource(s) listed below in accordance with the PJM Agreements, including, without limitation, to satisfying the qualification requirements of a capacity resource, transacting capacity bilaterally, specifying replacement capacity, satisfying the delivery year requirements of a committed resource, offering qualified capacity into Reliability Pricing Model ("RPM") Auctions or committing qualified capacity to a Fixed Resource Requirement ("FRR") plan.

Generator – eDART: Principal authorizes Agent to communicate electronically and/or verbally on behalf of Principal with PJM related to Principal's generation resource(s), listed below, in accordance with the PJM Agreements, including, but not limited to, generator outage tickets, equipment and/or facility parameters, reactive power capacity, Instantaneous Reserve Check (IRC), and GO Survey.

Generator – ARR / FTR: Principal authorizes Agent to submit offers, bids, obtain and/or administer Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs") with respect to the Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Black Start: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the provision of Black Start Service from Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator – Fuel Cost Policy: Principal authorizes Agent to communicate and act on behalf of Principal with PJM in all matters concerning the Fuel Cost Policy for Principal's generation resource(s), listed below, in accordance with the PJM Agreements.

Generator Name (ISA/WMPA/CSA)	Resource Name (Capacity Exchange)	Resource ID (Capacity Exchange)	Unit Name (Markets Gateway)	Unit ID (Markets Gateway)	PJM Queue Number

Billing Responsibilities.

Billing – Using Principal's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Principal shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Principal's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Using Agent's Account: In connection with all rights, responsibilities and obligations as specified by Principal and Agent in any and all sections, Agent shall be billed, make payment and/or receive payment through PJM Settlement, Inc. in Agent's account established within PJM's system, for all charges, credits, penalties, costs and fees, in accordance with the PJM Agreements.

Billing – Schedule 2, Reactive Supply in Principal's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Principal's account established within PJM's system.

Billing – Schedule 2, Reactive Supply in Agent's account: Principal authorizes Agent to receive and/or pay Principal's Reactive Supply and Voltage Control from Generation or Other Sources Service, Schedule 2 in Tariff, in Agent's account established within PJM's system.

Transmission Owner Responsibilities.

Transmission Owner – All Responsibilities: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations as a Transmission Owner under the PJM Agreements and Consolidated Transmission Owners Agreement, including, without limitation, communicating with PJM regarding all matters relating to Principal's Transmission Owner responsibilities within PJM, and operating Principal's transmission facilities in a manner that is consistent with the standards, requirements, or directions of PJM and that will permit PJM to perform its obligations under the PJM Agreements and applicable NERC standards, for the Principal owned transmission facilities at the substations listed below.

Transmission Substation	B2 – Voltage Level

Transmission Owner – Transmission Service: Principal authorizes Agent to satisfy Principal's rights, responsibilities and obligations under the PJM Agreements, including, without limitations, providing or arranging for Transmission Service to the Principal's load(s), requesting changes to Transmission Service required for serving the Principal's load(s), and submitting Interchange Schedules on the Principal's behalf.

Transmission Owner – eDART: Principal authorizes Agent to communicate electronically and/or verbal on behalf of Principal with PJM related to all Principal's transmission facilities in accordance with the PJM Agreements, including, but not limited to, transmission outage tickets, transmission facility parameters and system model information.

Transmission Owner – MOD-32: Principal authorizes Agent to provide MOD-032 compliance submittals to PJM on behalf of Principal. Principal authorizes PJM to obtain and provide Agent necessary software licenses for MOD-032 submittals. Principal recognizes that authorizing Agent to submit MOD-032 compliance data on its behalf does not relieve Principal of compliance requirements or enforcement actions that may be incurred with respect to the timeliness, completeness, and accuracy of the data, drawings, or other information provide to PJM by Agent.

Additional Responsibilities.

Telemetry: Principal authorizes PJM to share Real Time telemetry data with Agent.

Other: Principal authorizes Agent to receive other rights and perform other responsibilities and obligations of Principal as follows:

_____

_____

_____

3. Continuing Responsibilities and Liabilities of Principal and/or Agent.

(a) The Authorized Rights, Responsibilities and Obligations are the only rights, responsibilities and obligations under the PJM Agreements for which Principal authorizes Agent to act for Principal.

(b) All Principal's rights, responsibilities and obligations under the PJM Agreements not specified in section 2 of this Declaration or in an Addendum or Attachment hereto shall remain with Principal.

(c) Notwithstanding the authorizations granted to the Agent to act on behalf of Principal specified herein, nothing in this Declaration changes, diminishes or eliminates Principal's rights, obligations and responsibilities under the PJM

Agreements to the extent Agent fails to satisfy those obligations on behalf of Principal. In such case, Principal shall retain all of its rights, and remain ultimately responsible for all of its obligations and responsibilities, set forth in the PJM Agreements. Any failure of the Agent to act on Principal's behalf is a matter solely between Principal and Agent and Principal's sole redress in such case is against Agent.

(d) With respect to the Authorized Rights, Responsibilities and Obligations, and notwithstanding any other provision of this Declaration, Principal and Agent shall be held jointly and severally liable to PJM for all amounts due or which become due to PJM under the PJM Agreements, and Agent's authorization to make payment of any such amounts hereunder (if specified in section 2 of this Declaration) shall not release Principal from liability for any financial obligations to PJM not satisfied by Agent.

(e) Agent understands and agrees that its payment obligations with respect to the Authorized Rights, Responsibilities and Obligations shall be without right of setoff or netting with respect to any other obligation of Principal to PJM.

4. Reliance and Indemnity, Duty to Inform, Liability Waiver, Termination, and Rules of Construction.

(a) Principal and Agent each recognizes, accepts, and intends that PJM will rely upon on the truth, accuracy, and completeness of the declarations herein in matters including, but not limited to, creditworthiness and in assuring compliance with the PJM Agreements. Principal and Agent each recognizes and accepts that PJM or its Members may suffer losses and damages if any declaration is or becomes untrue, inaccurate, or incomplete. Principal and Agent agree to indemnify PJM for any losses and damages that it may suffer as a direct result of this Declaration. Nothing herein shall relieve Principal of its obligations pursuant to the PJM Agreements.

(b) Principal and Agent each has a continuing duty to notify PJM if and when any declaration herein ceases to be truthful, accurate, or complete. Until such time as PJM receives written notification of any change to any declaration, in accordance with the terms contained herein, PJM shall be entitled to rely perpetually on this Declaration, as governing its relationship with Principal and Agent, as to the subject matter of this Declaration. Written notice of changes to the declarations contained herein must be provided by Principal (a PJM Member) to PJM at least thirty (30) days in advance of their effectiveness. If Agent is also a PJM Member, then both parties will be required to provide thirty (30) days' prior written notification in order for such changes to be effective. Such notification is required for changes to certifications and identification of resources.

(c) In the event of default by Principal or Agent under this Declaration or any PJM Agreement, PJM may terminate this Declaration immediately upon notice to Principal and Agent.

(d) Principal (a PJM Member) may, for its sole convenience, terminate this Declaration by providing at least sixty (60) days' prior written notification to PJM in a form acceptable to PJM. If Agent is also a PJM Member, both parties will be required to provide at least sixty (60) days' prior written notification, in a form acceptable to PJM, in order for termination to become effective. Upon such termination, (1) all future rights and responsibilities associated with the subject matter of this Declaration shall revert to Principal, and Principal hereby agrees to accept any such reversion as principal and to satisfy all obligations and requirements associated therewith (including, but not limited to, creditworthiness requirements); and (2) all obligations associated with the subject matter of this Declaration undertaken or committed by Agent on behalf of Principal pursuant to this Declaration and during the term in which this Declaration was effective shall remain the joint and several obligation of Principal and Agent for as long as those obligations last.

(e) This Declaration shall automatically terminate upon the deactivation, or transfer to a third party, of all resources identified herein.

(f) Nothing in this Declaration shall be construed to create or give rise to any liability on the part of PJM and Principal and Agent expressly waive any claims that may arise against PJM under this Declaration. Principal and Agent, jointly and severally, agree to hold PJM harmless from any claims or disputes related to this Declaration, both prior to and after termination. This Declaration shall not be construed to modify any of the PJM Agreements and in the event of conflict between this Declaration and a PJM Agreement, the applicable PJM Agreement shall control.

(g) Capitalized terms used herein that are not defined herein have the meanings given in the PJM Agreements, as applicable.

The Recitals are hereby incorporated into the body of this Declaration.

5. Effective Date(s).

Principal authorizes Agent to act on behalf of Principal as of _____, 20__ ("Effective Date").

OR

The Effective Date shall be the date upon which this Declaration has been fully executed by each of Principal, Agent and PJM LLC.

6. Further Delegation:

Agent shall not assign any of the referenced rights, obligations or responsibilities to another third party agent pursuant to a separate and valid Declaration of Authority between Agent and that third party or otherwise.
[No responsibilities will be listed]

OR

Principal hereby authorizes Agent to assign the responsibilities listed below to another third party agent or assign pursuant to a separate and valid Declaration of Authority between Agent and that third party, and in which the liability remains joint and several as among Principal, Agent and that third party.
[Only responsibilities selected will be listed, which may be all]

7. Notices.

Any notice or request made to or by Principal, Agent, or PJM shall be made to the representative indicated below.

If to PJM:
PJM Interconnection, L.L.C.
Attn: General Counsel
2750 Monroe Blvd.
Audubon, PA 19403

and

PJM Interconnection, L.L.C.
Attn: Member Relations
2750 Monroe Blvd.
Audubon, PA 19403

If to Principal:
[Principal Company Name]
Attn: [Principal Contact Name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

If to Agent:
[Agent Company Name]
Attn: [Agent contact name from 'Contact for Notices' section]
[Street address from 'Contact for Notices' section]
[City, State, and Zip Code from 'Contact for Notices' section]

IN WITNESS WHEREOF, Principal, Agent and PJM LLC execute this Declaration to be

effective on the Effective Date(s) indicated in Section 5 above.

PRINCIPAL

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

AGENT

Signature:

Name:

Title:

Company Name:

Date Signed (MM/DD/YY):

PJM INTERCONNECTION, L.L.C.

Signature:

Name: Jennifer Tribulski

Title: Sr. Director, Member Services

PJM Interconnection, L.L.C.

Date Signed (MM/DD/YY):

CW Statement No. 3

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

DIRECT TESTIMONY

AND EXHIBITS

OF

MELISSA SULLIVAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	**:**		
Electric Company of Lewisburg, PA and	**:**	**Docket Nos.:**	P-2024-
Wellsboro Electric Company for the Period	**:**		P-2024-
of June 1, 2025 Through May 31, 2029	**:**		

DIRECT TESTIMONY OF MELISSA SULLIVAN
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address:

A. My name is Melissa Sullivan and my business address is 33 Austin Street, Wellsboro, Pennsylvania.

Q. By whom are you employed and what position do you hold?

A. I am employed by C&T Enterprises, Inc. ("C&T"), as the Chief Financial Officer ("CFO").

Q. What are your duties in that capacity?

A. As CFO, I have a number of duties, including: administering C&T's financial activities; reporting to C&T's Chief Executive Officers and Board of Directors regarding C&T's financial condition and making recommendations when required; providing accounting support to the affiliated companies; arranging long-term and short-term financing for C&T's affiliates; reviewing the operating companies' monthly financial statements; consolidating the financial statements quarterly for review by C&T's officers, directors, and lending institutions; assisting each accounting department with preliminary and year end audits; reviewing and consolidating annual budgets and supplying the operating companies with projections

for shared services and long-term and short-term debt service projections; and attending at least one Board of Directors meeting for each operating company to review audited financials and provide an update on C&T. In addition, I have responsibility for the oversight of regulatory activities of C&T's affiliates: Citizens' Electric Company of Lewisburg, PA ("Citizens'"); Wellsboro Electric Company ("Wellsboro"); and Valley Energy, Inc. ("Valley"). Regulatory activities include annual Pennsylvania Public Utility Commission ("PUC" or Commission") reporting, securities certificate filings, rate filings, Public Utility Realty Tax Act ("PURTA") filings, State Tax Adjustment Surcharge ("STAS") filings, Generation Supply Service Rate ("GSSR")/Gas Cost Rate ("GCR") filings, and GSSR/GCR audits.

Q. Please describe your employment and educational background.

A. I have a Bachelor of Science degree in Business Administration and Industrial Relations (Human Resources) from Clarion University of Pennsylvania as well as a Master of Science degree in Business Leadership from Wilkes University. I began my career as Business Manager at Galeton Area School District in 2007 and remained there until 2013. In 2013, I accepted a position at Mansfield University of Pennsylvania as Human Resources Manager working directly with the Director of Human Resources and other top officers. In 2014, due to cutbacks at the University, I began serving as Director of Human Resources at SMC Powder Metallurgy, where I remained until taking the position as Chief Financial Officer at C&T Enterprises, Inc. in 2018.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the approach of Citizens' and Wellsboro (each individually, "Company" and collectively, "Companies") to calculating their GSSRs. The Companies intend to maintain the current structure in the default service program beginning June 1, 2025 ("Seventh Joint DSP").

I will also explain how each GSSR will recover the cost components of the Residential/Small C&I and Large C&I procurements. Finally, I will explain how the Companies propose to bill customers under the GSSRs.

Q. How is the GSSR structured currently?

A. The Companies each have one (1) GSSR for Residential customers and Small Commercial and Industrial ("C&I") customers with a registered peak demand below 400 kW ("GSSR-1"); and, a second GSSR for Large C&I customers with a registered peak demand at or above 400 kW ("GSSR-2").[1]

Q. Please summarize your understanding of what costs the Companies can recover through a GSSR under the Commission's regulations?

A. As I understand it, Sections 69.1808(a) and 54.187(d) of the Commission's regulations mandate the recovery of all specified purchased power costs. In accordance with these regulations, and as reflected in the Companies' tariffs, each GSSR currently recovers all appropriate costs associated with power purchasing, including wholesale energy, financial transactions, capacity, transmission, ancillary services, congestion (including experienced congestion, Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs")), losses, applicable Regional

[1] If a Small C&I customer exceeds the 400 kW threshold, it will be treated as a Large C&I account and placed on the GSSR-2.

Transmission Organization ("RTO") or Independent System Operator ("ISO") administrative activities, and supply management costs. The GSSR also recovers administrative costs related to default service, including education, regulations, litigation, tariff filings, and working capital. Finally, the Companies recover Alternative Energy Portfolio Standards ("AEPS") compliance costs through the GSSR as well. These charges are grossed up to collect state taxes such as Gross Receipts Tax ("GRT").

Q. How were costs recovered before the current DSP?

A. Under the Third Joint DSP, the Companies operated a Stratified Procurement Plan, under which they utilized a portfolio of energy products from multiple suppliers to include a mixed spot market, fixed block and other energy supply providers. All costs associated with the Stratified Procurement Plan were recovered through one (1) GSSR.

Q. What changes were made in the Fourth, Fifth and Sixth Joint DSPs?

A. The Companies continued to recover DSP costs primarily through the GSSR, but several adjustments were made to the GSSR.

First, the Companies bifurcated the single existing GSSR into two (2) separate charges to reflect the fact that Residential and Small C&I customers would pay a fixed energy rate and Large C&I customers would pay variable Hourly Priced Service ("HPS") rates.

Second, the quarterly pricing and reconciliation periods were modified to accommodate new procurement plan, where wholesale suppliers adjust the fixed-rate energy component every 6 months. Importantly, these changes collectively operated

to simplify the GSSRs, from both a Company administrative perspective and from a customer perspective. Because all costs except energy, Capacity, Network Integrated Transmission Service ("NITS"), Regional Transmission Expansion Plan/Transmission Enhancement Costs ("RTEP/TEC") and the Companies' administrative costs and working capital are now included in the fixed Supplier Adder, the rate projection and reconciliation process has been simplified and become more transparent. RTEP/TEC costs were removed from the Supplier Adder during a proceeding to amend the Fourth Joint DSP.

Third, the Companies revised the filing process as part of the Sixth Joint DSP. Specifically, the Companies reduced the period for consideration of interim adjustments to the GSSRs from ten (10) to five (5) days.

Fourth, the Companies amended the Sixth Joint DSP in 2022 to explicitly reflect distribution losses in the calculation of the GSSR-1 and GSSR-2. Those losses are updated every year on June 1st based on the historic losses experienced on the two systems.

Q. Are the Companies proposing any changes to the current GSSR structure?

A. No. The Companies are not proposing to change the structure.

Q. Please explain the pricing components of the GSSR-1?

A. The GSSR-1 consists of: (1) projected Purchased Power Costs (the fixed energy rate (adjusted for distribution losses) + the Supplier Adder + (Projected NITS + Projected RTEP/TEC + Projected Capacity) Costs for the GSSR-1 class + Company Administrative Costs); plus or minus (2) the Reconciliation Period E-factor; divided by (3) projected metered sales to GSSR-1 default service customers; times (4) a GRT

gross-up. This rate is adjusted every 6 months, although the Supplier Adder would remain fixed throughout the 3-year DSP period. As discussed by Mr. Farnsworth, the fixed energy rate is based on the PJM West Hub on-peak monthly forward pricing as measured on predetermined Trigger Dates. The GSSR-1 cost components are reflected in the existing Citizens' and Wellsboro tariffs. No changes to the GSSR-1 tariffs are being proposed in the Sixth Joint DSP.

Q. What is the fixed energy rate?

A. For the GSSR-1, the fixed energy rate is divided into two (2) portions. One-half (1/2) is the mathematical average of monthly on-peak per MWh strip pricing for the projected MWh to be delivered to the wholesale meter for the respective Company's Aggregate Bus during a twelve-month (12-month) pricing period. The other half is calculated identically but six (6) months later. Every six (6) months, one-half (1/2) of the GSSR-1 fixed energy rater is re-calculated on a twelve-month (12-month) pricing period.

Q. How are the Supplier Adder costs determined?

A. The Supplier Adder is a per-kWh rate fixed by the wholesale supplier for the duration of the four-year (4-year) contract. Aside from energy costs, NITS, RTEP/TEC, Capacity, and Company Administrative Costs, the Supplier Adder covers all other costs to deliver default service power to the Citizens' or Wellsboro Aggregate Bus, including congestion, marginal losses, AEPS Act compliance, and transmission losses, as well as all risks associated with default service customer usage variability, customer migration (switching to an EGS for supply service or returning to default service as permitted under the Companies' tariffs and Pennsylvania law) and

deviations between the forward pricing and actual experienced costs. A single Supplier Adder rate will apply to each Company's total wholesale default service load, regardless of customer class, but, as explained in more detail by Mr. Johnson, the rate may differ between the two Companies.

Q. How do the Companies project transmission costs?

A. The transmission costs for the GSSR-1 are projected by multiplying each Company's Transmission Obligation for the projected default services load by the Federal Energy Regulatory Commission ("FERC")-approved transmission rate applicable to the PPL or Penelec Zone. A similar process occurs for RTEP/TEC.

Q. How do the Companies project the costs for capacity charges?

A. Each Company pays for capacity daily, as determined by PJM. Each Company's costs are based on: (1) its PJM assigned Capacity Obligation for the default service load; and (2) the Net Load Price for its Locational Deliverability Area as determined in the PJM Reliability Pricing Model ("RPM") auctions. Capacity also includes the Capacity Performance Costs (or credits). To project the costs for each six-month (6-month) pricing period, we multiply the anticipated Capacity Obligation for each Company's default service customers on the GSSR-1, by the Net Load Price (stated on a $/MW-day basis) and then by the number of days in the pricing period.

Q. What types of costs are included in the "Company Administrative Costs" for recovery through the GSSR?

A The Company's Administrative Costs includes all costs for administration of the DSP, such as education, regulatory, litigation, tariff filings, working capital and information system costs, legal, regulatory and consulting fees, as well as PJM charges and

membership fees, as may be incurred on an ongoing basis for various supply-related purposes. For example, the Companies incur expenses to prepare and submit the periodic tariff supplements and other filings to implement the GSSR changes and other reconciliations. The Companies will also pay fees to use the Intercontinental Exchange ("ICE") for monitoring the PJM forward market prices that are used in the GSSR-1. In addition, each Company will include in a cash working capital assumption based on the one-eighth (1/8) rule applied to projected generation costs and credit costs associated with the default service auction. The GSSRs will also reflect a four-year (4-year) amortization of the costs for the developing and litigating this case and conducting each Company's Request for Proposals in 2025.

Q. How do the pricing components of the GSSR-2 differ from the GSSR-1?

A. The basic cost structure is similar, but the GSSR-2 was designed to recover actual costs rather than projections. First, the GSSR-2 includes a different energy component since Large C&I customers with a registered peak demand above 400 kW take HPS, based on the real-time PJM LMP for the PJM West Hub. Also, while the GSSR-1 assigns a fixed per-kWh charge for NITS, Capacity, and RTEP/TEC based on projected kWh load, the GSSR-2 passes through NITS, Capacity, and RTEP/TEC costs on a per-kW basis, reflecting the individual PJM allocations for each customer. Accordingly, the GSSR-2 costs are made up of: (1) the real-time HPS rate as calculated by PJM for the PJM West Hub (adjusted for distribution losses); **plus** (2) the per-kWh Supplier Adder; **plus** (3) the per-kWh Company Administrative Costs; **plus** (4) a per-kW Transmission, RTEP/TEC and Capacity charge based on the applicable PJM rates and each customer's PJM NITS and Capacity obligations; **times**

(5) a GRT gross-up. The kWh charges will be billed using the customer's metered hourly usage.

Q. How do the Companies propose to adjust and reconcile the GSSR-1 rates?

A. As the wholesale suppliers serving the Companies must adjust the Residential and Small C&I fixed energy rate every 6 months, the Companies implemented corresponding 6-month pricing and reconciliation adjustments to the GSSR-1 retail rates, as outlined below:

Price Period	Reconciliation Period in E-factor of default service rate	Preliminary and Final Filing Dates
June 1-November 30	October 1- March 31	April 16/May 20
December 1-May 31	April 1-September 30	October 16/November 20

Preliminary rates will be filed 45 days prior to the effective date for new rates, subject to the Companies' authority to update preliminary rates up to 10 days prior to the effective date.

Q. Under what circumstances would the Companies update the preliminary rates?

A. Following submission of the preliminary rates, the Companies may become aware of changes to components of the originally submitted calculation. For example, FERC could adjust the PPL or Penelec NITS charges or the Companies could supplement the GSSR-1 reconciliation to reflect additional invoices from PJM. Under such circumstances, the Companies would adjust the preliminary rates to reflect new information.

Q. Are interim adjustments to the GSSR-1 possible?

A. Yes, as under the current GSSR, the Companies reserve the right to file interim adjustments if a substantial over- or undercollection would otherwise occur. The

Companies propose to maintain the effective period for interim changes of five (5) days. The Companies diligently monitor the GSSRs to assess any necessity for interim filings. When we determine that we must submit a change, it is important to implement the revised rate as expeditiously as possible.

Q. Is the Supplier Adder subject to either the 6-month or interim adjustments?

A. No. The uniform Supplier Adder charged to all customers will remain fixed for the 4-year term of the Seventh Joint DSP.

Q. How do the Companies adjust and reconcile the GSSR-2 rates?

A. Currently, the Companies do not reconcile the GSSR-2 revenues and costs. In the most recent GSSR-2 audit, the Commission's Bureau of Audits suggested that the Companies add an E-Factor for the GSSR-2.

Q. Are the Companies proposing to add an E-Factor to the GSSR-2?

A. No. In our discussions with the Bureau of Audits, we requested guidance on how the GSSR-2 E-Factor would operate, including what would occur if all of the GSSR-2 customers purchased supply from competitive suppliers. In that situation, the Companies may be faced with costs that cannot be recovered in a timely manner. Alternatively, we may have a refund that needs to be returned, but no customers on the GSSR-2 to receive that credit. Due to this scenario, we propose to retain the current structure, under which any over-collection or under-collection for the GSSR-2 is reflected in the E-Factor for the GSSR-1.

Q. Have the Companies experienced large undercollections or overcollections for the GSSR-2 during the current DSP?

A. Citizens' and Wellsboro have experienced limited situations where the GSSR-2 class experienced large undercollections or overcollections. There were some larger mismatches during the Fourth DSP when the Companies were first implementing the hourly-priced options. The Companies used Special Billing Adjustments to account for those situations. In addition, with the Commission's approval, the Companies used special billing adjustments to address the about that the GSSR-2 customers owed for the distribution losses as a result of the Petition to Amend the Sixth Joint DSP. During the current DSP, the Companies' other overcollections and undercollections have been minimal. Attached as Exhibits MS-1 and MS-2 are tables showing the overcollections and undercollections by month for both Companies.

Q. How do the Companies bill customers under the GSSRs?

A. The wholesale suppliers issue a monthly invoice based on the deliveries to the wholesale meter at the applicable Company's Aggregate Bus in the prior calendar month, which is paid on the 20th of the month following receipt of energy or on the next business day if the 20th falls on weekend or holiday. The invoice issued by the wholesale suppliers is sufficiently detailed to enable Citizens' or Wellsboro to confirm and reconcile the costs, including separation of the costs between the fixed-price and HPS loads, and confirmation of any retail supplier load. The Companies work with the selected wholesale suppliers and any interested parties to establish the wholesale bill format.

Customer bills are issued monthly in 4 cycles. Citizens' and Wellsboro bear the responsibility for converting the wholesale costs into retail default service customer rates, for reconciling default service costs and revenues, and for collecting costs from retail default service customers. When a rate change occurs, all bills rendered on or after the effective date will reflect the new rate.

Q. Do the Companies propose any changes to this method for the Seventh Joint DSP?

A. No.

Q. Do the Companies propose any adjustment to distribution rates?

A. Not at this time.

Q. What review process do the Companies propose for ensuring that the GSSRs recover all costs incurred for the provision of default service?

A. As indicated above, the Companies each file a reconciliation of GSSR-1 revenue recovery 45 days prior to each 6-month pricing period pursuant to Section 1307 of the Public Utility Code. This automatic adjustment accounts for any over- or under-recoveries experienced by the Companies during the course of the previous pricing period, as provided in Section 54.187(b) of the Commission's regulations. The Companies propose to continue this same review process under the Seventh Joint DSP.

Q. What process do the Companies propose for review of the GSSR filings?

A. The Companies propose to continue the current Commission-approved review process, with the Bureau of Audits responsible for confirming the accuracy of cost and sales projections, as well as reconciliations. The Companies' reconciliation

statements are subject to an annual review as required by Section 1307(e) of the Public Utility Code. The GSSRs should be audited on a calendar year basis, through a consolidated process to conserve the Commission's and the Companies' resources.

Q. How are the Companies' credit costs determined and included in the GSSRs?

A. Each Company faces credit exposure to the wholesale suppliers as well as with PJM. Our potential credit arrangements with wholesale suppliers will be negotiated. Because the wholesale suppliers will continue to serve as Load Serving Entities for the default service load, we do not expect to have any significant credit exposure at PJM. As previously indicated, costs of complying with both types of credit arrangements (bilateral and PJM) are projected for each pricing period and recovered through the Companies' Administrative Cost adder.

Q. How do the Companies anticipate recovering the costs associated with AEPS Act compliance?

A. As discussed by Mr. Farnsworth, AEPS compliance costs will continue to be recovered as part of the Supplier Adder.

Q. Do the Companies make any profit or margin on generation service?

A. No. All costs recovered through the GSSR-1 and GSSR-2 are either fully reconcilable and/or a pass-through of actual costs.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:		
Electric Company of Lewisburg, PA and	:	Docket Nos.:	P-2024-
Wellsboro Electric Company for the Period	:		P-2024-
of June 1, 2025 Through May 31, 2029	:		

EXHIBITS

OF

MELISSA SULLIVAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
AND WELLSBORO ELECTRIC COMPANY

MAY 31, 2024

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.11 F-Factor	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Jun-16	1,041	23,166.63	4,325.92	1,076.65	125.22	4,285.90	32,980.32	210	6,248.42	(56.33)	5,666.18	1,031.61	2,348.36	15,238.24	17,742.08
Jul-16	209	5,266.56	4,186.37	1,041.92	119.43	862.24	11,476.52	290	10,101.60	126.68	5,855.05	1,065.99	339.34	17,488.66	(6,012.14)
Aug-16	275	8,646.87	4,325.92	1,076.65	123.90	1,133.16	15,306.50	2,216	77,989.54	-	5,855.05	1,065.99	3,984.70	88,895.28	(73,588.78)
Sep-16	2,243	69,031.54	4,325.92	1,076.65	123.95	9,239.34	83,797.40	2,655	91,816.03	-	5,666.18	1,031.61	1,077.72	99,591.54	(15,794.14)
Oct-16	2,440	75,072.68	4,186.39	1,041.92	123.95	10,053.38	90,478.32	230	7,519.63	-	5,855.05	1,065.99	4,360.61	18,801.28	71,677.04
Nov-16	219	6,694.86	4,325.94	1,076.65	123.95	903.70	13,125.10	225	6,429.35	-	5,666.07	1,031.61	659.23	13,786.26	(661.16)
Dec-16	233	6,030.68	4,186.39	1,041.92	123.97	895.85	12,278.81	176	5,918.97	-	5,854.94	1,066.09	-	12,840.00	(561.19)
Jan-17	184	5,753.20	4,325.94	7,957.94	944.25	705.99	19,687.32	184	6,216.16	-	5,854.94	7,838.66	198.78	20,108.54	(421.22)
Feb-17	184	5,869.86	4,325.93	7,957.94	930.86	705.99	19,790.58	170	4,740.32		5,288.34	7,080.12	331.16	17,439.94	2,350.64
Mar-17	171	4,436.57	3,907.29	7,187.82	921.62	658.06	17,111.36	180	6,112.38		5,854.94	7,838.71	504.26	20,310.29	(3,198.93)
	7,199	209,969.45	42,422.01	30,536.06	3,661.10	29,443.61	316,032.23	6,536	223,092.40	70.35	57,416.74	30,116.38	13,804.16	324,500.03	(8,467.80)

Customers

Bucknell June 16 - Mar 17
Giant June 16 - Mar 17

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-17	183	5,879.38	4,325.92	7,957.95	1,020.36	702.30	19,885.91	212	6,548.19	5,666.07	7,585.84	282.27	20,082.37	(196.46)
May-17	210	6,033.06	4,186.19	7,701.25	987.43	805.52	19,713.45	439	15,200.34	5,854.94	7,838.90	587.60	29,481.78	(9,768.33)
Jun-17	467	15,105.43	9,824.38	7,957.95	967.58	2,384.46	36,239.80	225	6,666.12	2,631.27	11,173.35	1,646.31	22,117.05	14,122.75
Jul-17	217	6,095.75	3,623.69	11,343.12	919.23	1,106.54	23,088.33	386	12,681.58	3,245.23	12,307.61	397.84	28,632.26	(5,543.93)
Aug-17	384	11,784.02	4,487.94	12,708.94	1,027.99	1,960.12	31,969.01	608	18,662.16	3,806.57	13,120.22	611.89	36,200.84	(4,231.83)
Sep-17	507	14,093.78	4,597.98	12,329.01	977.86	2,584.80	34,583.43	776	27,112.72	3,683.78	12,696.99	792.56	44,286.05	(9,702.62)
Oct-17	848	27,257.10	4,984.49	13,604.41	1,079.01	4,322.94	51,247.95	605	22,543.84	3,806.80	13,120.22	1,797.07	41,267.93	9,980.02
Nov-17	647	23,220.88	4,855.67	13,179.28	1,045.29	3,300.45	45,601.57	296	9,567.36	3,683.78	12,696.99	1,158.33	27,106.46	18,495.11
Dec-17	305	9,080.27	4,726.81	12,754.13	1,048.06	1,161.02	28,770.29	431	27,180.94	3,806.12	13,120.22	534.20	44,641.48	(15,871.19)
Jan-18	453	28,810.89	4,855.67	3,494.01	255.55	1,342.37	38,758.49	464	39,273.28	3,806.58	3,098.07	488.32	46,666.25	(7,907.76)
Feb-18	394	34,239.36	4,855.67	3,201.40	266.46	1,409.13	43,972.02	310	8,711.97	3,438.19	2,844.12	476.52	15,470.80	28,501.22
Mar-18	309	7,972.56	4,469.16	2,808.99	240.67	1,175.95	16,667.33	405	14,961.96	3,806.57	3,148.85	431.25	22,348.63	(5,681.30)
	4,924	189,572.48	59,793.57	109,040.44	9,835.49	22,255.60	390,497.58	5,157	209,110.46	47,235.90	112,751.38	9,204.16	378,301.90	12,195.68

Customers

Albright	Apr 17 - May 18
Bucknell	Apr 17 - May 18
Giant	Apr 17 - May 18

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-18	436	15,550.86	5,919.62	4,305.30	333.66	1,661.87	27,771.31	416	16,052.31	4,946.79	4,266.19	527.58	25,792.87	1,978.44
May-18	453	16,248.22	6,573.31	4,975.70	385.83	1,726.25	29,909.31	743	31,038.79	5,437.95	4,723.28	884.34	42,084.36	(12,175.05)
Jun-18	796	33,008.31	4,785.59	4,383.08	361.89	1,440.65	43,979.52	1,142	36,016.79	4,554.49	4,354.40	1,074.64	46,000.32	(2,020.80)
Jul-18	1,330	41,667.00	6,272.83	4,241.69	360.53	764.90	53,306.95	873	30,746.03	4,706.31	4,499.54	2,500.03	42,451.91	10,855.04
Aug-18	831	29,047.61	4,785.59	4,383.08	360.53	1,504.26	40,081.07	800	27,844.18	4,706.23	4,499.54	1,177.23	38,227.18	1,853.89
Sep-18	804	27,811.99	4,785.59	2,744.05	278.58	1,454.38	37,074.59	704	26,464.70	4,554.41	4,354.40	1,520.72	36,894.23	180.36
Oct-18	706	26,544.17	4,631.21	4,241.69	278.58	1,278.03	36,973.68	856	30,662.42	4,706.23	4,499.54	1,416.68	41,284.87	(4,311.19)
Nov-18	911	32,392.54	4,785.59	4,383.08	-	1,648.12	43,209.33	434	16,861.74	4,554.41	4,354.40	1,585.28	27,355.83	15,853.50
Dec-18	450	16,740.01	4,631.21	4,241.69		756.39	26,369.30	483	16,005.63	4,706.23	4,499.55	593.41	25,804.82	564.48
Jan-19	453	14,731.13	4,438.27	8,580.04		761.51	28,510.95	525	16,769.52	4,706.23	8,999.09	505.56	30,980.40	(2,469.45)
Feb-19	569	18,272.70	5,132.90	9,064.97	(828.84)	955.13	32,596.86	452	12,980.15	4,250.79	8,128.21	478.59	25,837.74	6,759.12
Mar-19	455	12,856.99	4,322.45	7,968.72	(795.35)	763.80	25,116.61	456	13,666.06	4,706.23	8,999.09	856.21	28,227.59	(3,110.98)
	8,194	284,871.53	61,064.16	63,513.09	735.41	14,715.29	424,899.48	7,884	275,108.32	56,536.30	66,177.23	13,120.27	410,942.12	13,957.36

Customers

Albright	Apr 18 - Mar 19
Bucknell	Apr 18 - Mar 19
Diakon	Apr 18 - Mar 19
Giant	Apr 18 - Mar 19

	Sales							Purchases						
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.31 Transmission	555.41 Administrative	Total Sales	Over/(Under)
Apr-19	472	13,923.94	4,785.59	8,822.50	(790.82)	793.68	27,534.89	384	9,950.84	3,643.53	7,160.57	633.25	21,388.19	6,146.70
May-19	295	7,532.86	3,134.42	6,970.86	(642.56)	496.38	17,491.96	943	24,475.74	3,529.67	6,999.29	521.88	35,526.58	(18,034.62)
Jun-19	572	14,354.55	3,633.44	8,324.86	(647.17)	1,224.66	26,890.34	215	5,006.26	2,579.25	5,591.59	965.48	14,142.58	12,747.76
Jul-19	216	5,055.06	2,840.84	6,522.65	(525.10)	462.21	14,355.66	(39)	(5,684.95)	2,907.52	6,933.57	359.63	4,515.77	9,839.89
Aug-19	374	10,741.94	2,935.53	6,740.07	231.99	801.16	21,450.69	641	15,782.04	2,907.52	6,933.57	497.87	26,121.00	(4,670.31)
Sep-19	601	14,633.82	2,935.53	6,740.07	231.82	1,285.12	25,826.36	352	11,580.79	2,813.73	6,709.91	844.15	21,948.58	3,877.78
Oct-19	300	10,978.99	2,840.84	6,522.64	232.86	642.27	21,217.60	554	15,323.59	2,907.52	6,933.57	795.31	25,959.99	(4,742.39)
Nov-19	598	13,298.62	2,935.53	6,740.07	235.69	1,279.87	24,489.78	224	6,588.67	2,814.06	6,709.91	1,066.95	17,179.59	7,310.19
Dec-19	214	6,218.79	2,840.84	6,522.64	234.24	313.53	16,130.04	195	4,513.03	2,907.52	6,933.57	357.12	14,711.24	1,418.80
Jan-20	185	4,226.79	2,935.53	1,257.46	33.56	271.30	8,724.64	191	4,216.51	2,907.52	1,152.44	195.02	8,471.49	253.15
Feb-20	183	4,009.83	2,935.53	1,257.46	60.35	263.99	8,527.16	179	3,486.22	2,719.94	1,078.09	209.50	7,493.75	1,033.41
Mar-20	172	3,273.39	2,746.15	1,176.34	60.31	247.03	7,503.22	193	3,566.19	2,907.52	1,152.44	225.83	7,851.98	(348.76)
	4,182	108,248.58	37,499.77	67,597.62	(1,284.83)	8,081.20	220,142.34	4,032	98,804.93	35,545.30	64,288.52	6,671.99	205,310.74	14,831.60

Customers

Albright	Apr 19 - Jun 19
Bucknell	Apr 19 - Mar 20
Diakon	Apr 19 - Apr 19
Giant	Apr 18 - Mar 20

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative
Apr-20	184	3,386.69	2,935.53	1,257.46	60.31	264.73
May-20	176	3,067.10	2,840.84	1,216.90	60.31	253.40
Jun-20	337	5,333.91	1,210.41	1,383.04	60.62	688.38
Jul-20	225	4,444.57	1,171.37	1,338.43	58.40	458.45
Aug-20	271	6,894.10	1,210.41	1,383.04	58.51	553.76
Sep-20	300	7,267.37	1,210.41	1,383.04	58.49	611.50
Oct-20	230	4,389.79	1,171.37	1,338.43	60.30	468.22
Nov-20	378	9,072.30	1,210.41	1,383.04	60.23	771.60
Dec-20	177	3,808.23	1,170.29	1,338.43	62.06	269.05
Jan-21	176	4,458.23	1,209.30	2,250.18	184.68	267.82
Feb-21	175	4,425.60	1,209.30	2,261.16	165.16	260.65
Mar-21	158	6,370.52	1,092.28	2,042.34	166.89	235.88
	2,787	62,918.41	17,641.92	18,575.49	1,055.96	5,103.44

Customers

Bucknell Apr 20 - Mar 21
Giant Apr 20 - Mar 21

	Purchases			
Total Sales	**MWh**	**555.02 Energy**	**555.21 Capacity**	**555.31 Transmission**
7,904.72	185	3,275.09	2,813.73	1,115.26
7,438.55	353	5,681.12	2,907.52	1,152.44
8,676.36	233	4,601.68	1,238.31	1,232.85
7,471.22	285	7,288.76	1,279.59	1,273.95
10,099.82	317	7,777.74	1,279.59	1,273.95
10,530.81	242	4,652.01	1,238.31	1,232.85
7,428.11	399	9,654.16	1,279.59	1,273.95
12,497.58	197	4,152.54	1,238.31	1,232.85
6,648.06	184	4,728.03	1,279.59	1,273.95
8,370.21	173	4,490.94	1,279.59	2,554.88
8,321.87	170	6,808.41	1,155.76	2,307.63
9,907.91	187	4,775.55	1,279.59	2,554.88
105,295.22	2,925	67,886.03	18,269.48	18,479.44

555.41 Administrative	Total Sales	Over/(Under)
231.70	7,435.78	468.94
286.59	10,027.67	(2,589.12)
660.84	7,733.68	942.68
363.21	10,205.51	(2,734.29)
337.10	10,668.38	(568.56)
366.24	7,489.41	3,041.40
525.08	12,732.78	(5,304.67)
588.26	7,211.96	5,285.62
297.60	7,579.17	(931.11)
168.05	8,493.46	(123.25)
173.78	10,445.58	(2,123.71)
156.40	8,766.42	1,141.49
4,154.85	108,789.80	(3,494.58)

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative
Apr-21	179	4,507.35	1,209.30	2,261.16	126.98	265.94
May-21	180	4,454.35	1,170.29	2,188.21	126.98	268.08
Jun-21	1,857	52,187.59	1,971.31	2,886.82	126.98	5,832.73
Jul-21	232	7,762.39	1,907.72	2,793.69	125.21	728.63
Aug-21	241	8,887.79	1,971.31	2,886.82	125.21	756.97
Sep-21	501	25,237.63	1,971.31	2,886.82	125.34	1,572.84
Oct-21	375	20,267.50	1,907.72	2,793.69	125.73	1,177.37
Nov-21	518	31,113.28	1,907.72	2,793.69	125.73	1,626.42
Dec-21	179	12,274.64	1,971.31	2,886.82	126.65	460.86
Jan-22	175	6,591.80	1,971.31	4,144.56	178.33	449.28
Feb-22	173	12,017.41	1,971.31	4,144.56	172.21	444.72
Mar-22	157	8,266.76	1,780.54	2,677.03	123.67	403.00
	4,767	193,568.49	21,711.15	35,343.87	1,609.02	13,986.84

Customers

Bucknell Apr 21 - Mar 22
Giant Apr 21 - Mar 22

	Purchases			
Total Sales	**MWh**	**555.02 Energy**	**555.21 Capacity**	**555.31 Transmission**
8,370.73	192	4,824.20	1,238.31	2,472.46
8,207.91	1,946	55,038.37	1,279.59	2,554.88
63,005.43	247	8,493.11	2,054.57	3,215.70
13,317.64	262	9,574.94	2,123.06	3,322.90
14,628.10	515	26,615.07	2,123.06	3,322.90
31,793.94	356	20,215.23	2,054.57	3,215.70
26,272.01	595	35,672.74	2,123.06	3,322.89
37,566.84	182	12,789.02	2,054.58	3,215.70
17,720.28	180	7,241.19	2,123.06	3,085.93
13,335.28	181	12,673.13	2,123.06	2,964.39
18,750.21	165	7,885.71	1,917.60	2,677.51
13,251.00	183	8,256.72	2,123.05	2,964.39
266,219.37	5,004	209,279.43	23,337.57	36,335.35

555.41 Administrative	Total Sales	Over/(Under)
212.85	8,747.82	(377.09)
303.26	59,176.10	(50,968.19)
2,166.75	15,930.13	47,075.30
372.20	15,393.10	(2,075.46)
363.19	32,424.22	(17,796.12)
242.13	25,727.63	6,066.31
728.56	41,847.25	(15,575.24)
764.32	18,823.62	18,743.22
237.25	12,687.43	5,032.85
200.42	17,961.00	(4,625.72)
138.67	12,619.49	6,130.72
168.72	13,512.88	(261.88)
5,898.32	274,850.67	(8,631.30)

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative
Apr-22	176	7,847.83	1,971.31	4,144.56	172.95	452.90
May-22	334	22,359.17	5,218.05	7,513.36	330.28	857.90
Jun-22	926	72,710.71	4,856.89	7,763.81	330.50	2,686.36
Jul-22	436	42,632.11	3,151.76	7,328.78	335.95	1,265.69
Aug-22	251	23,403.28	1,926.94	4,682.02	207.70	728.46
Sep-22	803	86,637.92	3,256.82	7,573.07	336.34	2,330.17
Oct-22	434	34,053.91	3,151.76	7,328.78	347.90	1,257.84
Nov-22	867	58,583.96	3,256.82	7,573.07	347.90	2,515.66
Dec-22	383	20,871.26	3,380.24	7,803.33	370.90	1,104.33
Jan-23	272	32,557.62	3,256.82	3,622.89	102.84	799.99
Feb-23	352	14,230.53	6,092.33	5,262.43	282.53	995.26
Mar-23	407	11,458.31	5,502.74	4,753.17	265.83	1,102.29
	5,641	427,346.61	45,022.48	75,349.27	3,431.62	16,096.85

Customers

Playworld	Dec 22 - Dec 22
SKM	Feb 23 - Mar 23
Bucknell	Apr 22 - Mar 23
New Enter	May 22 - Mar 23
Giant	Apr 22 - Mar 23

	Purchases			
Total Sales	**MWh**	**555.02 Energy**	**555.21 Capacity**	**555.31 Transmission**
14,589.55	375	14,883.26	5,033.70	5,641.91
36,278.76	942	74,570.59	5,307.65	5,928.78
88,348.27	583	54,873.73	3,444.26	7,282.69
54,714.29	495	46,214.64	3,559.06	7,525.44
30,948.40	756	80,402.63	2,078.03	5,097.88
100,134.32	300	21,726.26	3,099.82	7,282.68
46,140.19	982	73,005.01	3,203.16	7,525.45
72,277.41	394	21,645.53	3,214.64	7,525.44
33,530.06	448	39,913.11	4,695.67	10,681.27
40,340.16	312	11,528.61	3,639.43	4,685.19
26,863.08	329	4,121.60	3,536.10	4,758.02
23,082.34	390	16,537.10	3,914.73	5,267.81
567,246.83	6,306	459,422.07	44,726.25	79,202.56

555.41 Administrative	Total Sales	Over/(Under)
211.75	25,770.62	(11,181.07)
419.57	86,226.59	(49,947.83)
1,424.03	67,024.71	21,323.56
593.27	57,892.41	(3,178.12)
538.14	88,116.68	(57,168.28)
909.08	33,017.84	67,116.48
839.74	84,573.36	(38,433.17)
1,459.98	33,845.59	38,431.82
750.24	56,040.29	(22,510.23)
447.50	20,300.73	20,039.43
709.38	13,125.10	13,737.98
520.63	26,240.27	(3,157.93)
8,823.31	592,174.19	(24,927.36)

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative
Apr-23	331	10,480.44	6,092.33	5,262.43	265.33	895.69
May-23	403	13,274.80	5,505.14	4,853.53	254.78	1,093.35
Jun-23	436	14,659.17	1,300.68	2,106.92	99.32	1,358.72
Jul-23	205	6,208.80	1,258.72	2,038.96	112.40	639.44
Aug-23	284	10,579.70	1,300.68	2,106.92	102.29	883.16
Sep-23	267	9,542.07	1,300.68	2,106.92	101.67	830.80
Oct-23	353	16,344.91	1,258.72	2,038.96	101.51	1,100.65
Nov-23	521	20,932.79	1,300.68	2,106.92	101.51	1,623.36
Dec-23	177	7,314.00	1,258.72	2,038.96	101.51	529.12
Jan-24	181	6,103.81	667.51	6,213.81	402.52	541.84
Feb-24	179	8,164.19	667.51	6,208.15	239.88	532.94
Mar-24	170	4,937.23	624.44	5,808.21	240.37	508.61
	3,507	128,541.91	22,535.81	42,890.69	2,123.09	10,537.68

Customers

SKM	Apr 23 - May 23
Bucknell	Apr 23 - Mar 24
New Enter	Apr 23 - May 23
Giant	Apr 23 - Mar 23

	Purchases			
Total Sales	**MWh**	**555.02 Energy**	**555.21 Capacity**	**555.31 Transmission**
22,996.22	375	11,197.09	3,788.68	5,467.65
24,981.60	498	16,703.20	1,481.03	2,473.46
19,524.81	215	6,323.15	717.06	2,358.34
10,258.32	274	9,860.46	740.96	2,436.96
14,972.75	266	9,077.71	740.96	2,436.96
13,882.14	374	16,696.60	717.05	2,358.35
20,844.75	554	21,559.88	740.96	2,436.95
26,065.26	188	7,558.28	717.05	2,358.35
11,242.31	188	6,110.69	740.96	2,436.95
13,929.49	189	8,314.56	740.96	7,071.38
15,812.67	179	4,909.31	693.16	6,615.16
12,118.86	197	5,242.00	740.96	7,071.39
206,629.18	3,497	123,552.93	12,559.79	45,521.90

555.41 Administrative	Total Sales	Over/(Under)
477.44	20,930.86	2,065.36
979.11	21,636.80	3,344.80
890.38	10,288.93	9,235.88
470.51	13,508.89	(3,250.57)
492.71	12,748.34	2,224.41
431.99	20,203.99	(6,321.85)
775.69	25,513.48	(4,668.73)
1,067.08	11,700.76	14,364.50
331.40	9,620.00	1,622.31
239.82	16,366.72	(2,437.23)
232.23	12,449.86	3,362.81
221.79	13,276.14	(1,157.28)
6,610.15	188,244.77	18,384.41

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.3 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Jun-16	6,396	77,061.35	20,930.10	5,469.22	3,739.17	28,392.52	135,592.36	2,740	94,996.10	25,613.24	5,016.59	3,542.68	5,887.81	135,056.42	535.94
Jul-16	6,177	57,678.90	15,558.56	3,761.01	2,688.57	20,083.82	99,770.86	2,041	78,676.48	19,781.61	3,711.94	3,651.45	4,563.08	110,384.56	(10,613.70)
Aug-16	7,426	62,871.77	15,558.56	3,761.01	2,686.92	18,332.01	103,210.27	1,929	80,806.06	19,881.85	3,711.94	3,651.45	5,125.78	113,177.08	(9,966.81)
Sep-16	7,093	56,863.62	15,056.67	3,639.69	2,728.49	17,602.91	95,891.38	1,717	66,187.30	19,694.10	3,592.20	3,651.45	3,436.75	96,561.80	(670.42)
Oct-16	5,640	32,165.45	15,558.56	3,761.01	2,728.49	11,280.60	65,494.11	1,140	42,724.04	20,402.65	3,711.94	3,651.45	2,737.46	73,227.54	(7,733.43)
Nov-16	6,146	23,142.20	7,638.67	1,499.24	1,123.90	8,650.99	42,055.00	1,048	35,336.17	19,744.50	3,592.20	3,651.45	3,287.22	65,611.54	(23,556.54)
Dec-16	6,762	23,622.74	10,442.51	2,180.65	408.25	7,182.64	43,836.79	777	30,763.76	20,402.65	3,711.94	3,651.45	1,186.69	59,716.49	(15,879.70)
Jan-17	7,475	22,229.00	10,442.51	2,180.65	408.25	7,182.64	42,443.05	833	32,916.17	10,477.07	2,053.44	1,323.56	992.22	47,762.46	(5,319.41)
Feb-17	7,183	18,876.92	9,431.94	1,969.61	1,409.97	7,791.61	39,480.05	763	25,300.29	9,453.16	1,854.72	1,320.55	1,164.69	39,093.41	386.64
Mar-17	6,216	23,814.56	10,442.51	2,483.44	1,602.08	8,199.17	46,541.76	806	31,413.77	10,477.07	2,053.44	1,316.93	1,798.34	47,059.55	(517.79)
	66,514	398,326.51	131,060.59	30,705.53	19,524.09	134,698.91	714,315.63	13,794	519,120.14	175,927.90	33,010.35	29,412.42	30,180.04	787,650.85	(73,335.22)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-17	768	20,915.02	10,105.65	2,403.43	1,597.76	7,730.40	42,752.26	803	28,664.94	10,139.10	1,987.20	1,316.93	1,602.64	43,710.81	(958.55)
May-17	803	23,626.38	10,442.51	2,483.54	1,610.12	8,138.92	46,301.47	857	32,257.78	10,477.07	2,053.44	1,323.95	1,642.48	47,754.72	(1,453.25)
Jun-17	860	21,714.02	9,802.94	2,403.43	2,027.60	8,637.89	44,585.88	926	31,465.07	9,878.40	1,987.20	1,811.82	1,503.82	46,646.31	(2,060.43)
Jul-17	924	24,842.75	10,129.71	3,716.17	2,200.15	9,047.48	49,936.26	966	36,343.61	10,207.68	3,072.72	1,866.43	1,828.52	53,318.96	(3,382.70)
Aug-17	947	25,233.92	10,129.71	3,716.17	2,266.19	9,452.32	50,798.31	974	33,748.78	10,207.68	3,072.72	1,866.43	1,663.48	50,559.09	239.22
Sep-17	781	21,543.47	9,802.94	3,596.29	2,266.19	7,740.64	44,949.53	780	31,350.83	9,878.40	2,973.60	1,866.43	1,517.76	47,587.02	(2,637.49)
Oct-17	726	21,345.65	10,129.71	3,716.17	2,266.19	7,226.80	44,684.52	721	26,567.22	10,207.68	3,072.72	1,866.43	1,944.48	43,658.53	1,025.99
Nov-17	545	15,638.55	9,802.94	3,596.29	2,266.19	5,344.93	36,648.90	544	20,646.84	9,878.40	2,973.60	1,866.43	1,645.89	37,011.16	(362.26)
Dec-17	429	12,557.89	9,475.67	3,475.70	2,169.96	3,999.79	31,679.01	457	22,226.95	10,207.68	3,072.72	1,872.21	1,614.57	38,994.13	(7,315.12)
Jan-18	457	41,967.54	10,129.71	4,284.31	2,298.21	4,296.32	62,976.09	503	40,448.09	10,207.68	3,542.68	1,880.32	5,926.54	62,005.31	970.78
Feb-18	423	12,285.39	9,756.60	4,111.90	2,442.08	3,971.90	32,567.87	421	13,818.95	9,219.84	3,199.84	1,880.32	1,673.89	29,792.84	2,775.03
Mar-18	429	14,352.23	9,521.51	2,619.21	1,555.57	4,001.02	32,049.54	471	19,883.01	10,207.68	3,542.68	1,880.32	(5,005.81)	30,507.88	1,541.66
	8,092	256,022.81	119,229.60	40,122.61	24,966.21	79,588.41	519,929.64	8,423	337,422.07	120,717.29	34,551.12	21,298.02	17,558.26	531,546.76	(11,617.12)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-18	481	16,465.36	6,325.29	1,556.37	867.85	4,476.56	29,691.43	464	20,208.35	8,942.58	3,171.24	1,868.40	(605.23)	33,585.34	(3,893.91)
May-18	460	16,797.87	5,395.10	1,327.50	711.74	4,286.00	28,518.21	560	25,002.86	5,372.61	2,214.02	1,868.40	1,189.42	35,647.31	(7,129.10)
Jun-18	531	17,341.61	6,271.92	1,373.27	68.23	1,703.50	26,758.53	566	18,027.85	5,842.80	2,142.60	1,095.55	1,307.10	28,415.90	(1,657.37)
Jul-18	555	18,481.78	6,271.92	1,323.87	679.50	2,432.47	29,189.54	624	20,847.65	6,037.56	2,134.35	965.04	4,773.38	34,757.98	(5,568.44)
Aug-18	604	18,691.80	6,480.98	1,368.01	618.50	1,937.04	29,096.33	652	21,892.10	6,037.56	2,134.35	965.04	43.77	31,072.82	(1,976.49)
Sep-18	587	21,363.78	6,480.98	1,368.01	639.10	1,773.95	31,625.82	581	20,633.49	5,842.80	2,065.50	965.04	211.87	29,718.70	1,907.12
Oct-18	487	14,843.17	6,271.92	1,323.87	598.55	1,564.10	24,601.61	525	17,679.90	6,037.56	2,134.35	968.10	(55.93)	26,763.98	(2,162.37)
Nov-18	407	14,152.85	6,062.84	1,279.74	599.77	1,306.64	23,401.84	443	17,023.01	5,842.80	2,065.50	968.10	409.68	26,309.09	(2,907.25)
Dec-18	426	15,020.80	6,480.98	1,368.01	620.47	1,397.48	24,887.74	457	15,389.54	6,037.56	2,134.35	968.10	(146.20)	24,383.35	504.39
Jan-19	421	11,441.03	5,635.91	1,567.47	656.70	1,380.12	20,681.23	446	14,196.41	6,037.56	2,201.00	909.31	(265.65)	23,078.63	(2,397.40)
Feb-19	418	12,460.30	6,269.22	2,726.56	1,247.12	1,371.90	24,075.10	410	11,899.74	5,453.28	1,988.00	909.31	142.19	20,392.52	3,682.58
Mar-19	403	12,287.49	6,269.22	2,726.56	1,126.42	1,323.55	23,733.24	442	13,430.69	6,037.56	2,201.00	909.31	125.62	22,704.18	1,029.06
	5,780	189,347.84	74,216.28	19,309.24	8,433.95	24,953.31	316,260.62	6,170	216,231.59	73,522.23	26,586.26	13,359.70	7,130.02	336,829.80	(20,569.18)

	Sales							Purchases							
	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
Apr-19	399	10,441.57	5,851.28	2,062.10	880.32	1,310.61	20,545.88	470	12,606.98	5,842.80	2,130.00	909.31	(112.16)	21,376.93	(831.05)
May-19	472	11,421.04	6,269.22	2,209.38	912.77	1,548.93	22,361.34	546	14,417.71	6,037.56	2,201.00	909.31	33.60	23,599.18	(1,237.84)
Jun-19	518	12,331.49	3,318.21	2,283.04	1,051.25	1,550.27	20,534.26	549	13,137.14	3,104.40	2,130.00	980.80	(97.90)	19,254.44	1,279.82
Jul-19	578	15,524.81	3,318.21	2,283.04	1,017.34	1,729.10	23,872.50	618	18,188.29	3,207.88	2,201.00	980.80	954.52	25,532.49	(1,659.99)
Aug-19	562	14,602.60	3,318.21	2,283.04	1,017.34	1,680.23	22,901.42	579	14,656.99	3,207.88	2,201.00	980.80	928.83	21,975.50	925.92
Sep-19	502	13,735.43	3,211.17	2,209.38	1,017.33	1,502.41	21,675.72	517	15,900.82	3,104.40	2,130.00	980.80	787.58	22,903.60	(1,227.88)
Oct-19	458	13,134.06	3,318.21	2,283.04	1,017.34	1,370.53	21,123.18	452	13,249.25	3,207.88	2,201.00	980.91	833.45	20,472.49	650.69
Nov-19	407	11,998.76	3,318.21	2,283.04	1,051.38	1,218.19	19,869.58	403	12,040.50	3,104.40	2,130.00	980.91	1,094.50	19,350.31	519.27
Dec-19	389	9,470.61	3,318.25	2,283.04	1,017.46	1,206.58	17,295.94	407	9,882.15	3,207.88	2,201.00	904.51	679.26	16,874.80	421.14
Jan-20	386	7,711.66	3,318.25	2,933.60	1,076.47	1,199.12	16,239.10	410	9,498.43	3,207.88	2,198.52	782.02	608.15	16,295.00	(55.90)
Feb-20	375	7,754.19	3,211.21	2,838.97	1,113.43	1,165.81	16,083.61	390	7,958.12	3,000.92	2,056.68	781.91	515.63	14,313.26	1,770.35
Mar-20	396	7,497.32	3,318.25	2,933.60	1,076.33	1,230.70	16,056.20	427	8,378.83	3,207.88	2,198.52	781.91	789.96	15,357.10	699.10
	5,442	135,623.54	45,088.68	28,885.27	12,248.76	16,712.48	238,558.73	5,768	149,915.21	43,441.76	25,978.72	10,953.99	7,015.42	237,305.10	1,253.63

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP
Apr-20	387	6,667.69	3,211.21	2,838.97	1,076.33
May-20	422	7,223.19	3,599.82	2,933.60	1,076.33
Jun-20	491	9,928.98	3,081.23	2,838.97	1,094.68
Jul-20	567	14,234.17	3,183.94	2,933.60	1,094.69
Aug-20	548	13,960.27	3,183.94	2,933.60	1,094.75
Sep-20	486	10,080.24	3,081.23	2,838.97	1,087.35
Oct-20	443	9,314.93	3,183.94	2,933.60	1,087.36
Nov-20	386	9,066.70	3,081.23	2,838.97	1,087.35
Dec-20	387	9,633.82	3,180.88	2,933.60	1,087.36
Jan-21	389	9,310.11	3,180.88	4,516.68	1,252.61
Feb-21	347	14,200.73	2,873.05	4,079.57	1,252.61
Mar-21	389	10,298.87	3,180.88	4,516.68	1,252.61
	5,244	123,920	38,022	39,137	13,544

Purchases

Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.3 Transmission
1,201.25	14,995.45	420	7,880.00	3,104.40	2,127.60
1,323.46	16,156.40	483	9,279.24	3,207.88	2,198.52
1,585.43	18,529.29	537	11,317.32	3,048.00	2,127.60
1,831.27	23,277.67	617	17,167.85	3,149.60	2,198.52
1,768.29	22,940.85	576	15,403.73	3,149.60	2,198.52
1,567.82	18,655.61	499	10,285.37	3,048.00	2,127.60
1,428.86	17,948.69	451	11,034.29	3,149.60	2,198.52
1,246.98	17,321.23	410	9,332.86	3,048.00	2,127.60
1,101.20	17,936.86	418	11,190.22	3,149.60	2,198.52
1,106.32	19,366.60	414	10,899.83	3,149.60	4,628.25
986.37	23,392.33	370	15,511.54	2,844.80	3,845.52
1,106.32	20,355.36	431	11,512.57	3,149.60	4,257.54
16,254	230,876	5,626	140,815	37,199	32,234

555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
781.91	504.79	14,398.70	596.75
781.91	888.72	16,356.27	(199.87)
795.61	962.84	18,251.37	277.92
795.66	1,154.48	24,466.11	(1,188.44)
784.25	716.29	22,252.39	688.46
790.12	620.36	16,871.45	1,784.16
790.12	627.95	17,800.48	148.21
790.12	1,121.86	16,420.44	900.79
790.12	213.50	17,541.96	394.90
1,243.72	462.26	20,383.66	(1,017.06)
1,144.08	468.50	23,814.44	(422.11)
1,144.08	655.82	20,719.61	(364.25)
10,632	8,397	229,277	1,599

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP
Apr-21	394	9,492.00	3,078.27	4,370.97	1,252.60
May-21	433	11,690.88	3,180.88	4,516.68	1,249.91
Jun-21	499	15,512.67	4,822.80	4,370.97	1,192.44
Jul-21	543	19,317.57	4,822.80	4,370.97	1,153.98
Aug-21	551	22,623.63	4,983.56	4,516.68	1,192.44
Sep-21	525	26,060.58	4,822.80	4,370.97	1,192.44
Oct-21	493	27,343.60	4,983.56	4,516.68	1,192.44
Nov-21	376	26,196.04	4,822.80	4,370.97	1,192.44
Dec-21	375	18,387.84	4,983.56	4,516.68	1,188.27
Jan-22	380	19,914.97	4,983.56	4,167.56	1,982.18
Feb-22	344	20,293.81	4,501.28	3,764.24	1,983.92
Mar-22	373	15,958.61	4,983.56	4,167.56	1,983.89
	5,287	232,792.20	54,969.43	52,020.93	16,756.95

Purchases

Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity	555.30 Transmission
1,118.43	19,312.27	421	11,106.94	3,048.00	4,120.20
1,230.27	21,868.62	488	14,829.71	3,149.60	4,257.54
1,691.24	27,590.12	567	19,293.53	4,919.10	4,120.20
1,839.84	31,505.16	595	22,602.73	5,083.07	4,257.54
1,865.32	35,181.63	612	28,797.59	5,083.07	4,257.54
1,779.88	38,226.67	527	26,598.16	4,919.10	4,120.20
1,671.26	39,707.54	497	31,015.90	5,083.07	4,257.54
1,274.38	37,856.63	400	28,344.86	4,919.10	4,120.20
1,165.96	30,242.31	406	16,603.91	5,083.07	4,257.54
1,180.02	32,228.29	411	28,854.12	5,083.07	4,214.76
1,068.40	31,611.65	361	17,363.80	4,591.16	3,806.88
1,159.40	28,253.02	401	18,274.67	5,083.07	4,214.76
17,044.40	373,583.91	5,686	263,685.92	56,044.48	50,004.90

555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
1,144.08	657.16	20,076.38	(764.11)
1,144.08	1,116.08	24,497.01	(2,628.39)
1,087.35	601.77	30,021.95	(2,431.83)
1,087.35	833.58	33,864.27	(2,359.11)
1,087.35	742.68	39,968.23	(4,786.60)
1,087.35	671.18	37,395.99	830.68
1,087.35	656.41	42,100.27	(2,392.73)
1,087.35	846.86	39,318.37	(1,461.74)
1,083.42	436.55	27,464.49	2,777.82
1,965.85	534.17	40,651.97	(8,423.68)
1,965.82	337.19	28,064.85	3,546.80
1,965.82	414.54	29,952.86	(1,699.84)
15,793.17	7,848.17	393,376.64	(19,792.73)

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP
Apr-22	361	21,607.36	4,822.80	4,033.12	1,983.92
May-22	427	31,826.83	4,983.56	4,167.56	1,983.89
Jun-22	1,199	101,787.73	9,011.55	10,940.74	5,195.07
Jul-22	1,212	100,894.43	9,124.21	11,075.18	5,089.26
Aug-22	1,254	122,638.57	9,311.94	11,305.44	5,195.06
Sep-22	1,192	107,984.96	9,011.55	10,940.74	5,195.07
Oct-22	1,007	59,141.94	9,124.21	11,075.18	5,089.27
Nov-22	1,381	70,515.91	10,256.79	12,452.68	5,913.00
Dec-22	1,465	123,007.44	10,598.69	12,867.77	5,912.98
Jan-23	1,237	125,928.05	9,086.63	7,135.16	2,769.08
Feb-23	774	24,545.86	6,090.73	6,238.29	2,671.65
Mar-23	824	27,202.81	6,701.80	6,848.50	2,657.96
	12,333	917,081.89	98,124.46	109,080.36	49,656.21

		Purchases		
Administrative	Total Sales	MWh	555.02 Energy	555.21 Capacity
1,122.17	33,569.37	402	27,298.86	4,919.10
1,324.98	44,286.82	488	37,813.56	5,083.07
3,857.57	130,792.66	1,208	108,313.67	8,470.50
3,900.36	130,083.44	1,363	121,386.32	8,752.85
4,034.10	152,485.11	1,328	136,049.52	8,752.85
3,837.24	136,969.56	1,508	99,968.23	8,470.50
3,240.40	87,671.00	1,101	65,133.01	9,023.93
4,443.89	103,582.27	1,508	80,775.24	9,825.90
4,935.75	157,322.63	1,560	194,272.89	10,153.43
4,319.37	149,238.29	1,136	44,033.71	7,544.39
2,703.84	42,250.37	829	23,276.17	5,692.12
2,876.19	46,287.26	889	26,892.08	6,301.99
40,595.86	1,214,538.78	13,320	965,213.26	92,990.63

555.30 Transmission	555.42 Ancillary	555.45 Administrative	Total Sales	Over/(Under)
4,078.80	1,965.82	635.45	38,898.03	(5,328.66)
4,214.76	1,965.80	565.99	49,643.18	(5,356.36)
10,011.30	4,654.43	2,372.37	133,822.27	(3,029.61)
10,345.01	4,654.43	1,675.13	146,813.74	(16,730.30)
10,345.01	4,654.43	2,160.05	161,961.86	(9,476.75)
10,011.30	4,654.43	1,458.62	124,563.08	12,406.48
10,493.33	4,721.12	1,696.41	91,067.80	(3,396.80)
10,752.90	4,999.23	3,552.94	109,906.21	(6,323.94)
11,111.33	4,999.23	2,522.63	223,059.51	(65,736.88)
7,220.93	2,751.50	2,556.77	64,107.30	85,130.99
6,393.24	2,676.69	1,101.17	39,139.39	3,110.98
7,078.23	2,676.69	1,926.48	44,875.47	1,411.79
102,056.14	45,373.80	22,224.01	1,227,857.84	(13,319.06)

Sales

	MWh Sales	Energy	Capacity	Transmission	RETEP	Administrative
Apr-23	811	24,322.42	6,525.78	6,683.89	2,671.78	2,832.19
May-23	865	32,488.04	6,743.32	6,906.69	2,671.80	3,021.41
Jun-23	883	26,078.24	3,338.60	6,683.89	2,641.45	3,505.28
Jul-23	955	38,561.03	3,227.31	6,461.08	2,471.06	3,792.86
Aug-23	1,043	45,000.25	3,449.89	6,906.69	2,641.47	4,142.64
Sep-23	932	43,568.50	3,338.60	6,683.89	2,641.45	3,699.91
Oct-23	899	40,561.36	3,449.89	6,906.69	2,641.47	3,569.95
Nov-23	755	35,538.06	3,338.60	6,683.89	2,641.45	2,996.87
Dec-23	722	34,442.25	3,393.66	6,813.11	2,605.69	2,725.37
Jan-24	688	35,018.60	3,394.84	11,437.62	1,107.07	2,595.08
Feb-24	772	31,349.63	3,338.60	11,243.06	3,638.08	2,914.36
Mar-24	785	26,138.85	3,393.66	11,423.26	3,457.90	2,961.35
	10,110	413,067.23	46,932.75	94,833.76	31,830.67	38,757.27

	Purchases				
Total Sales	**MWh**	**555.02 Energy**	**555.21 Capacity**	**555.30 Transmission**	**555.42 Ancillary**
43,036.06	868	26,589.92	6,098.70	6,849.90	2,677.87
51,831.26	963	31,583.99	6,301.99	7,078.23	2,677.87
42,247.46	992	29,585.89	3,915.00	6,849.90	2,646.80
54,513.34	1,107	42,881.36	4,045.50	7,078.23	2,646.80
62,140.94	1,113	36,727.10	4,045.50	7,078.23	2,646.80
59,932.35	959	35,562.42	3,915.00	6,849.90	2,646.80
57,129.36	919	36,925.02	4,045.50	7,078.23	2,646.80
51,198.87	755	31,254.00	3,915.00	6,849.90	2,646.80
49,980.08	770	26,921.52	4,045.50	7,078.23	2,598.71
53,553.21	1,286	58,855.33	4,045.50	17,374.26	5,149.73
52,483.73	1,283	36,031.81	3,784.50	16,253.34	5,151.29
47,375.02	1,278	33,333.17	4,045.50	17,374.26	4,769.19
625,421.68	12,293	426,251.53	52,203.19	113,792.61	38,905.46

555.45 Administrative	Total Sales	Over/(Under)
1,399.03	43,615.42	(579.36)
1,800.50	49,442.58	2,388.68
1,690.78	44,688.37	(2,440.91)
1,885.20	58,537.09	(4,023.75)
1,582.30	52,079.93	10,061.01
1,251.99	50,226.11	9,706.24
1,687.90	52,383.45	4,745.91
2,308.85	46,974.55	4,224.32
1,037.79	41,681.75	8,298.33
995.92	86,420.74	(32,867.53)
977.59	62,198.53	(9,714.80)
876.51	60,398.63	(13,023.61)
17,494.36	648,647.15	(23,225.47)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:	
Electric Company of Lewisburg, PA and	:	Docket Nos.: P-2024-3049357
Wellsboro Electric Company for the Period	:	P-2024-3049359
of June 1, 2025 Through May 31, 2029	:	

VERIFIED STATEMENT OF SERHAN OGUR

I. INTRODUCTION AND QUALIFICATIONS

1. My name is Serhan Ogur. I am a Principal and Senior Economist at Exeter Associates, Inc. ("Exeter"). My office is located at 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. Exeter is a consulting firm specializing in issues pertaining to public utilities.
2. I am providing this verified statement on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). This verified statement was prepared by me.
3. I received a B.A. degree in Economics from Bogazici University (Istanbul, Turkey) in 1996 and a Ph.D. in Economics from Northwestern University (Evanston, IL) in 2007.
4. I have 23 years of experience in the energy industry specializing in organized wholesale and retail electricity markets. My diverse background comprises energy management and consulting; analysis, design, and reporting of Regional Transmission Organization electricity markets and products; and state and federal regulation of electric utilities. I was employed as Economic Analyst at the Illinois Commerce Commission between 2001 and 2005; Senior Economist at PJM Interconnection, LLC ("PJM") between 2005 and 2014; and Senior System Operator at Fellon-McCord & Associates, LLC between 2014

and 2015. I joined Exeter as Senior Analyst in 2015 and became a Principal of the firm in 2020.

5. I have extensive experience testifying before the Pennsylvania Public Utility Commission ("Commission") on default service plan and other matters. I testified in Docket No. P-2016-2534980 in PECO Energy Company's Default Service Program IV proceeding; Docket Nos. P-2020-3019383 and P-2020-3019384 in the joint Default Service Plan VI of Citizens' Electric Company of Lewisburg, Pennsylvania and Wellsboro Electric Company; Docket No. P-2020-3019522 in Duquesne Light Company's Default Service Plan IX proceeding; Docket No. P-2020-3019907 in UGI Utilities, Inc. – Electric Division's Default Service Plan IV proceeding; Docket No. P-2020-3022988 in Pike County Light & Power Company's Default Service Plan; Docket Nos. A-2021-3025659 and A-2021-3025662 in the case concerning the acquisition of Pike County Light & Power Company and Leatherstocking Gas Company, LLC; Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014 and P-2021-3030021 in the joint Default Service Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket No. A-2023-3038771 et al in the merger of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket No. P-2023-3039927 in Pike County Light & Power Company's Default Service Plan; Docket No. P-2024-3046008 in PECO Energy Company's Default Service Program VI proceeding; Docket No. P-2024-3047290 in PPL Electric Utilities Corporation's Default Service Plan VI proceeding; Docket No. P-2024-3048592 in Duquesne Light Company's Default Service Plan IX proceeding; and in Docket No. P-2024-3049343 in UGI Utilities,

Inc. – Electric Division's Default Service Plan V proceeding. All of my prior testimony before the Commission was on behalf of OCA. A complete description of my professional background is attached Exhibit SO-1 to this Affidavit.

II. DSP VII PETITION OF THE COMPANIES

6. Citizens' Electric Company of Lewisburg, PA ("Citizens'") and Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies") filed their Seventh Joint Default Service Plan ("DSP VII") petition ("Petition") on May 31, 2024. The proposed DSP VI is for the four-year period from June 1, 2025 through May 31, 2029. In DSP VII, the Companies propose to continue substantially the same procurement structure and rate design which were approved in the currently effective DSP VI.
7. Under the Procurement and Implementation Plan, each Company proposes to conduct a competitive Requests for Proposals ("RFP") bid process and enter into a Load-Following Full Requirements ("LFFR") contract with a wholesale supplier to serve all default service customers. The Companies may be served by the same supplier or different suppliers. The only proposed change from DSP VI is that same day triggers, by 3 pm, of the wholesale energy component of the fixed default service rate would be allowed whereas in the currently effective DSP VI the Companies provide their wholesale suppliers with a day-ahead notice of the trigger date.
8. The proposed wholesale default service product will consist of the following principal cost components: (a) an energy component that will be priced using an index; (b) a direct pass through of non-market-based transmission (Network Integrated Transmission Service ["NITS"], Transmission Enhancement Charges ["TEC"], and Regional

Transmission Expansion Plan [“RTEP”]) costs; (c) a direct pass-through of Capacity Costs (Locational Reliability and Capacity Performance); and (d) a Supplier Adder.

9. The Supplier Adder would cover all other costs to deliver default service supplies (both fixed price energy for the GSSR-1 customer class and hourly priced energy for the GSSR-2 customer class) to the wholesale meter at Citizens' or Wellsboro’s respective PJM Interconnection, LLC (“PJM”) Residual Metered Load Aggregate buses. This includes congestion between the PJM Western Hub and each Company’s Residual Metered Load Aggregate bus and other deviations between the forward pricing and actual costs, marginal losses, PJM ancillary services, Alternative Energy Portfolio Standards Act ("AEPS Act") compliance, transmission charges (other than NITS, TEC, and RTEP), and Auction Revenue Rights (“ARR”) credits, as well as all risks associated with default service customer usage variability and customer migration (switching to an electric generation supplier for supply service or returning to default service). The Supplier Adder would be fixed for the entire term of DSP VI, i.e., for four years.

10. The Companies propose that one-half of the energy component of the wholesale contract be adjusted every six months based on 12-month PJM Western Hub on-peak monthly forward pricing on trigger dates determined by the Companies; and the other one-half of the energy component be composed of another 12-month period calculated the same way, but six months later. This would result in a “laddered” approach where one-half of the energy pricing is adjusted every six months, while avoiding overly sharp pricing swings by relying on a 12-month average. The energy pricing approach proposed for DSP VII is identical to the approach approved for and employed in the current DSP VI.

11. The Companies are not proposing a minimum bidder requirement for DSP VII on the basis that they have experience with four DSPs that received 11 total final bids for each Company; the costs included in the Supplier Adder are relatively stable in the PJM markets; and prior bids and historical PJM data can be used as an indication of whether the bids received are appropriate.

12. In the currently effective DSP VI, default service costs recovered through the GSSR-1 are reconciled through the E-Factor, which is adjusted to reflect six-month projection and reconciliation periods in correspondence with the six-month pricing periods. The Companies propose to continue this reconciliation method in DSP VII. The Companies also propose to continue refunding or recovering any overcollection or under-collection of the GSSR-2 costs through the GSSR-1 E-factor. The justification for this approach is that if all customers leave the GSSR-2 default service, then the Companies would have no method to recover generation costs from GSSR-2 customers, which would impair the Companies' full and timely recovery of default service costs.

III. TERMS OF SETTLEMENT

13. On August 20, 2024, the Companies circulated a Joint Petition for Settlement to the intervening parties, which included Terms of Settlement as Section III of that document. The Terms of Settlement would modify the Companies' Petition as it relates to the procurement structure and rate design in four substantial ways.

14. First, the Companies will establish laddered pricing for the energy price to be paid to the supplier, as shown in Attachment B to the Joint Petition for Settlement. The laddered pricing will be for two-year forward price strips that are determined each six months, other than the phase-in and phase-out periods, as shown in Attachment B, where one-

quarter of the pricing is adjusted every six months while avoiding sharp pricing swings by relying on a 24-month average.

15. Second, each Company will provide the wholesale supplier for the applicable territory with notice no later than 1:30 pm on the day of its desire to trigger pricing for the territory.

16. Third, the Companies' RFP process will entail a two-bid minimum; however, if either Company receives a single bid in the RFP, that Company can request a waiver of the two-bid minimum requirement in its Confidential Summary of Bid Results submittal to the Commission by demonstrating to the Commission that the single bid received is reasonable and in line with the Company's prior bid results and historical PJM data. Where applicable, prior bid results shall be provided with a narrative explaining relevant changed market conditions relative to the current RFP period.

17. Fourth, the Companies will implement a GSSR-2 E-factor on a pilot basis effective as of the June 1, 2025, commencement of DSP VII, and continuing for the duration of DSP VII. If at any time during DSP VII, the movement of customers to or from the GSSR-2 would result in a significant over or under collection, the Companies may file an interim rate adjustment to update the GSSR-2 E-factor upon five-day notice. If there are no GSSR-2 default service customers for six consecutive months, or if the adjustment of the GSSR-2 E-factor would exceed 0.01 cents per kWh for either Company due to customer migration, such affected Company is authorized to use the Customer Choice Support (CCS) Rider in lieu of the GSSR-2 E-factor to collect or credit the current amount in the GSSR-2 E-factor account (plus carrying charges) from all GSSR-2 eligible customers

over a six-month period. The GSSR-2 E-factor will reset to zero concurrent with the effective date of the CCS rate change.

18. If I had testified in this proceeding I would have submitted testimony broadly consistent with the four provisions included in the terms of the settlement. Thus, I support all four provisions included in the Terms of Settlement which modify the Petition as it relates to the procurement structure and rate design, for the following reasons.

19. First, under the laddered pricing approach stipulated in Attachment B to the Joint Petition for Settlement, one-quarter of the energy price component of the GSSR-1 fixed rate will change every six months, whereas one-half of the energy price component of the GSSR-1 fixed rate would change every six months under the Petition. Therefore, the modification in the laddering of energy pricing as stipulated in the Terms of Settlement will greatly improve GSSR-1 rate stability. In light of the recent volatility in wholesale energy prices (in the PJM spot market as well as in forward markets), enhancing rate stability and predictability for residential and small commercial customers is a prudent approach. The Companies' current laddering approach served GSSR-1 customers well in the relatively stable and declining price wholesale market environment until 2021. The GSSR-1 customers will be served more effectively in the more volatile wholesale market environment which we seem to have entered in the last few years under the more stable GSSR-1 rate structure stipulated in Attachment B. Relying on 24-month forward strips, with 25 percent of the energy repriced every six months, for indexed energy pricing will also bring the Companies' default service pricing approach more in line with their larger peers in Pennsylvania (e.g., PECO Energy Company, Duquesne Light Company, PPL Electric Utilities Corporation, FirstEnergy Pennsylvania Electric Company), which rely

on a combination of 12-month and 24-month fixed-price full-requirements contracts the price of which also includes energy.

20. Second, moving the price trigger notification requirement to the wholesale supplier from 3 pm on the dame day (as proposed in the Petition) to 1:30 pm on the same day balances the Companies' desire to reduce the likelihood of wholesale energy market fluctuations between the time that the trigger notice is given and the lock-in of the wholesale energy price and the importance of allowing the wholesale supplier to be able to hedge its energy position resulting from the pricing trigger before forward trading ends for the day or it becomes illiquid. Forcing the wholesale supplier to hedge its position in an illiquid market on the same day or to take the risk of the market moving against it overnight would have increased the risk and uncertainty for the supplier and may have resulted in a larger risk premium being built into the Supplier Adder. Moving the deadline for the pricing trigger notice to the supplier from 3 pm to 1:30 pm on the same (trigger) day reduces this risk.

21. Third, requiring the Companies' RFP process to entail a two-bid minimum ensures at least some level of competition in the process while giving the Companies the flexibility to request a waiver of this requirement ensures that, if a single bid is received but that single bid is in line with the winning bids from previous multi-bid solicitations, that single yet competitively priced bid is not unnecessarily rejected. All else equal, non-award in the bid solicitation process is undesirable and should be avoided because it would greatly elevate the possibility of exposing the entire GSSR-1 load to the PJM spot market prices for an extended period of time, which in turn would increase rate volatility for residential and small commercial customers. The Commission's review of the single

bid as well as the Companies' justification for accepting that single bid will serve as a safety valve of the competitiveness of the best bid received by the Companies. The requirement stipulated in the Terms of Settlement that prior bid results be provided with a narrative explaining relevant changed market conditions relative to the current RFP period is a key element of the process. For example, the cost of complying with the AEPS Act increased from 2 mills per kilowatt-hour in 2021 (when the Supplier Adder was set for DSP VI) to 6.5 mills per kilowatt-hour in September 2024. Thus, if all other elements of the Supplier Adder (e.g., congestion, marginal losses, PJM ancillary services, ARR credits, risk of customer usage variability and customer migration) remained the same since 2021, the Supplier Adder would be expected to increase by 4.5 mills per kilowatt-hour. If, for example, the Companies receive a single bid and the Supplier Adder offer is larger than the 2021 Supplier Adder by approximately 4.5 mills per kilowatt-hour, the Companies can avoid rejecting a competitively priced bid by providing this narrative and supporting data to the Commission.

22. Fourth, the implementation of a GSSR-2 E-factor eliminates cross-subsidization concerns between GSSR-1 customers and GSSR-2 customers. Under the Petition, the Companies would automatically reflect any overcollection or under-collection of the GSSR-2 costs in the GSSR-1 E-factor even when there are customers on GSSR-2 default service, which would result in a cost shift from GSSR-2 to GSSR-1 customers. Implementing a GSSR-2 E-Factor avoids cost shifts to GSSR-1 customers and ensures that all GSSR-2 costs are eventually recovered from GSSR-2 or GSSR-2 eligible customers.

23. An important element of the Petition, which is not modified by the Terms of Settlement, is the list of cost categories which are, and are not, included in the Supplier Adder. An

important consideration to keep in mind when evaluating the structure and composition of the Supplier Adder is that the wholesale supplier fixes all cost categories included in the Supplier Adder for four years. The Supplier Adder covers congestion between the PJM Western Hub and each Company's Residual Metered Load Aggregate bus and other deviations between the forward pricing and actual costs, marginal losses, PJM ancillary services, AEPS Act compliance, transmission charges (other than NITS, TEC, and RTEP), and ARR credits, as well as all risks associated with default service customer usage variability and customer migration. Major (large) PJM cost categories which are excluded from the Supplier Adder include capacity and non-market-based transmission (NITS, TEC, and RTEP).

24. I support the exclusion of capacity and non-market-based transmission charges from the Supplier Adder because these are large and variable over the term of a four-year contract, so including them in the Supplier Adder would increase the risk premium built into the Supplier Adder bids and/or reduce supplier participation in the RFP process. I also support the inclusion of the elements in the Supplier Adder as proposed by the Companies because the Companies have a track record of successfully attracting multiple bids and making awards in previous DSPs and solicitations under the same structure and composition of the Supplier Adder. Given the challenging nature of procuring load-following, full-requirements contracts with laddered energy pricing for small amounts of load (such as the default service load of each Company), it would be prudent to avoid making wholesale changes which may reduce the attractiveness of the contract structure to prospective bidders.

IV. CONCLUSION

25. After reviewing the Companies' Petition, including the testimonies of their witnesses, and the Terms of Settlement, and participating in numerous technical conferences and settlement conferences with the Companies and intervening parties, I conclude that the Companies' Petition as modified by the Terms of Settlement is in the interest of the Companies' residential and small commercial customers.

SERHAN OGUR, Ph.D.

Dr. Ogur is a Principal of Exeter Associates, Inc. with 23 years of experience in the energy industry specializing in organized wholesale (Regional Transmission Organization / Independent System Operator) and retail electricity markets. Dr. Ogur's diverse background comprises energy management and consulting; analysis, design, and reporting of RTO electricity markets and products; and state and federal regulation of electric utilities.

Dr. Ogur's coursework in graduate school focused on Microeconomic Theory, Game Theory, and Industrial Organization. His doctoral dissertation investigates imperfect competition in deregulated wholesale electricity markets and oligopolistic competition between private and public generators.

Education

Ph.D. (Economics), 2007
Northwestern University
Evanston, Illinois

B.A. (Economics), 1996
Bogazici University
Istanbul, Turkey

Previous Employment

2014-2015	Senior System Operator Fellon-McCord & Associates, LLC Louisville, KY
2005-2014	Senior Economist PJM Interconnection, LLC Audubon, PA
2001-2005	Economic Analyst Illinois Commerce Commission Springfield, IL

Professional Experience

Dr. Ogur's work at Exeter includes analysis of electricity supply contracts; utility rates and tariffs; energy markets and prices; power procurement; default electric service design; project evaluation; demand response opportunities; congestion hedging strategies; and price forecasting.

Prior to joining Exeter, Dr. Ogur's responsibilities at Fellon-McCord encompassed overseeing and performing the daily tasks of the "24/7" wholesale electricity desk, including all aspects of scheduling, managing, and monitoring direct market participant load and generation assets (mostly in ISO/RTO markets) as well as their settlements and custom reporting. He was also in charge of developing strategies and making recommendations, through

analytical, financial, and market research, for longer-term management of clients' load obligations and generation assets such as Auction Revenue Rights (ARR) nominations; participation in energy, ancillary services, and capacity markets; load forecasting; energy, basis, and capacity price forecasting; hedging; and peak load management. Dr. Ogur also served as the company's lead analyst in various special consulting projects.

In PJM Interconnection's Market Strategy and Market Analysis departments, Dr. Ogur was responsible for analyzing and reporting on all PJM-administered electricity market products, including day-ahead and real-time energy, operating reserve, regulation, synchronized reserve, virtual transactions, financial transmission rights, capacity, demand response, energy efficiency, and renewables. He was part of the team that developed the protocols and business rules for participation of energy efficiency in PJM markets as well as a lead reviewer for energy efficiency plans and post-installation measurement and verification (M&V) reports for PJM's capacity market auctions. He also has training and experience in PJM's stakeholder management process.

Dr. Ogur's responsibilities at the Illinois Commerce Commission (ICC) included monitoring all Illinois-related developments under federal jurisdiction, mostly Federal Energy Regulatory Commission (FERC) filings and rulings concerning major Illinois electric public utilities. In addition, Dr. Ogur reviewed all actions concerning Illinois public utilities at the FERC level (applications to join RTOs, market-based rate authority filings, merger applications, transmission rate cases, etc.), and developed positions and official comments for the consideration of the ICC to file in the related FERC dockets. Dr. Ogur also filed written testimony and served as staff witness (including standing cross-examination) in the ICC dockets establishing auction-based competitive wholesale energy procurement mechanisms for major Illinois electric public utilities.

Sample Major Publications and Reports

New Hampshire Solicitation and Procurement of Default Energy Service, prepared for the New Hampshire Department of Energy, March 2023 (with Matthew Hoyt, Olivia Kuykendall, Grace Koenig, and Cali Clark of Exeter Associates)

Review of the Non-Market-Based Services Riders Established by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company and Associated Pilot Program, prepared for the Public Utilities Commission of Ohio in response to Case No. 22-391-EL-RDR, July 2023 (with Matthew Hoyt and Ari Weissfeld of Exeter Associates)

Retail Supply and Standard Offer Service Reform for Maine, prepared for Maine Office of the Public Advocate, February 2023 (with Steven Estomin, Matthew Hoyt, Olivia Kuykendall, Afton Hauer, and Cali Clark of Exeter Associates)

Expert Testimony

Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3049343, UGI Utilities, Inc. – Electric Division, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3048592, Duquesne Light Company, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3047290, PPL Electric Utilities Corporation, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3046008, PECO Energy Company, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2023-3039927, Pike County Light & Power Company, 2023, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket Nos. A-2023-3038771 *et al*, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, 2023, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed public utility merger and acquisition issues.

Before the Pennsylvania Public Utility Commission, Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014 and P-2021-3030021, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, 2022, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Ontario Superior Court of Justice, In the Matter of Just Energy Group Inc. et al, Court File No. CV-21-00658423-00CL, 2021, on behalf of the *Donin and Jordet* Plaintiffs. Testified on overcharges by a retail electric supplier in a class action suit with plaintiffs in 11 states in the U.S.

Before the Pennsylvania Public Utility Commission, Docket Nos. A-2021-3025659 and A-2021-3025662, Pike County Light & Power Company and Leatherstocking Gas Company, LLC, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed public utility merger and acquisition issues.

Before the U.S. District Court for the District of New Jersey, Civil Action No. 3:17-cv-02680-MAS- LHG, 2021, on behalf of Janet Rolland, et al. Testified on systematic overcharges by a retail electric supplier in a class action suit with plaintiffs in eight states.

Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3022988, Pike County Light & Power Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3019907, UGI Utilities, Inc. – Electric Division, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3019522, Duquesne Light Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket Nos. P-2020-3019383 and P-2020-3019384, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric

Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Pennsylvania Public Utility Commission, Docket No. P-2016-2534980, PECO Energy Company, 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

Before the Illinois Commerce Commission, Docket No. 05-0159, Commonwealth Edison Company, 2005, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed default service design and competitive procurement issues.

Before the Illinois Commerce Commission, Docket Nos. 05-0160, 05-0161, and 05-0162 (Consolidated), Central Illinois Light Company d/b/a AmerenCILCO, 2005, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed default service design and competitive procurement issues.

Before the Illinois Commerce Commission, Docket No. 02-0428, Central Illinois Light Company and Ameren Corporation, 2002, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed competition issues in a utility merger case.

`BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Default Service Plan for Citizens'	:	
Electric Company of Lewisburg, PA and	:	Docket Nos.: P-2024-3049357
Wellsboro Electric Company for the Period	:	P-2024-3049359
of June 1, 2025 Through May 31, 2029	:	

VERIFICATION

I, Serhan Ogur, hereby state that the facts above set forth in my Verified Statement, OCA Statement 1, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: September 13, 2024

Signature: 

Serhan Ogur

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-2690