

PENNSYLVANIA POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 9 of this Tariff**

Issued: May 1, 2017

Effective: June 1, 2017

**By: Steven E. Strah, President
Reading, Pennsylvania**

NOTICE

This Supplement No. 32 makes changes to Rate Schedule GM-Medium.
See Twenty-Ninth Revised Page 2.

LIST OF MODIFICATIONS

Riders

Rider F - Phase III Energy Efficiency and Conservation Charge Rider rates have been changed, decreased and increased (See Fifth Revised Page 113).

LIST OF MODIFICATIONS

Rate Schedules (Continued)

Rate GP – General Service – Primary – Rates have been increased and language has been changed (See Third Revised Pages 76, 77 and 78).

Rate GT – General Service – Transmission – Rates have been increased (See Third Revised Page 80 and Second Revised Page 83) and language has been changed (See Third Revised Page 82).

Rate PLS – Private Outdoor Lighting Service – Rates have been increased (See Second Revised Pages 84 and Third Revised Page 85).

Rate SV – Street Lighting Service High Pressure Sodium Vapor – Rates have been decreased (See Second Revised Page 88) and language has been changed (See Second Revised Page 90).

Rate SVD – Street Lighting Service: High Pressure Sodium Vapor; Divided Ownership – Rates have been decreased and increased (See Third Revised 91) and language has been changed (See Second Revised Page 93).

Rate SM – Street Lighting Service Mercury Vapor – Removed Rate Schedule SM-Street Lighting Service (See Third Revised Page 94 and Second Revised Page 95).

Rate LED – Street Lighting Service – Rates have been increased and language has been changed (See Second Revised Page 96).

Rate PNP – Public of Non-Profit Organization Rate – Rates have been increased (See Third Revised Page 99 and Second Revised Page 101).

Riders

Rider C – Universal Service Charge – Language has been changed (See First Revised Page 107).

Rider F – Energy Efficiency and conservation Charge – Language has been changed (See Fourth Revised Page 113).

Rider H – Price to Compare Default Service Rate Rider – Language has been changed (See Eleventh Revised Page 123).

Rider J – Default Service Support Rider – Rates have been increased and language has been changed (See Fourth Revised Page 135 and Second Revised Page 137) and language has been changed (See First Revised Page 136).

Rider L – Partial Services Rider – Rates have been increased and language has been changed (See Third Revised Page 146).

Rider O – Distribution Service Improvement Charge – Rates have been decreased and language has been changed (See Third Revised Page 160).

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DESCRIPTION OF TERRITORY

ALLEGHENY COUNTY

Boroughs	Bradford Woods	Franklin Park	
Town	McCandless		
Townships	Marshall	Pine	Ross

BEAVER COUNTY

Boroughs	Big Beaver	Homewood	New Galilee
	Darlington	Koppel	
Townships	Chippewa	Franklin	North Sewickley (C)
	Darlington	Marion	South Beaver

BUTLER COUNTY

Boroughs	Callery	Harmony	Valencia
	Connoquenessing	Mars	Zelienople
	Evans City	Seven Fields	
Townships	Adams	Cranberry	Jackson
	Connoquenessing	Forward	Lancaster

CRAWFORD COUNTY

Borough	Conneaut Lake		
Townships	East Fallowfield	North Shenango	Summit
	West Fallowfield	South Shenango	
	Sadsbury	West Shenango	

LAWRENCE COUNTY

City	New Castle		
Boroughs	Bessemer	New Beaver	Volant
	Ellwood City	New Wilmington	Wampum
	Ellport	SNPJ	
	Enon Valley	South New Castle	(C)
Townships	Hickory	Plain Grove	Union
	Little Beaver	Pulaski	Washington
	Mahoning	Scott	Wayne
	Neshannock	Shenango	Wilmington
	North Beaver	Slippery Rock	
	Perry	Taylor	

(C) Change

DESCRIPTION OF TERRITORY (continued)

MERCER COUNTY

Cities	Hermitage	Farrell	Sharon	
Boroughs	Clark	Jamestown	Sheakleyville	
	Fredonia	Mercer	Stoneboro	
	Greenville	New Lebanon	West Middlesex	
	Grove City	Sandy Lake	Wheatland	
	Jackson Center	Sharpsville		
Townships	Cool Spring	Jefferson	Salem	(C)
	Deer Creek	Lackawannock	Sandy Creek	
	Delaware	Lake	Sandy Lake	
	E. Lackawannock	Liberty	Shenango	
	Fairview	Mill Creek	Springfield	
	Findley	New Vernon	Sugar Grove	
	French Creek	Otter Creek	West Salem	
	Greene	Perry	Wilmington	
	Hempfield	Pine	Wolf Creek	
	Jackson	South Pymatuning	Worth	

(C) Change

GENERAL RULES AND REGULATIONS

GENERAL APPLICATION

A copy of this Tariff has been filed with the Pennsylvania Public Utility Commission and is posted and available for inspection at the Company's offices that are open to the public. A copy of this Tariff and all documents referenced in this Tariff are available on the Company's Internet Web Page at www.firstenergycorp.com. This Tariff may be revised, amended, supplemented or otherwise changed from time to time by the Company in accordance with prevailing Commission regulations.

This Tariff sets forth the conditions under which various retail services shall be supplied by the Company. Unless stated specifically otherwise, this Tariff shall apply throughout the Company's entire service area.

This Tariff applies to the Company's provision of Delivery Service and various retail services that may be provided by the Company. Regardless of the type of service provided to Customers, all electric energy shall be alternating current, sixty (60) hertz frequency, at such standard nominal voltages and phases as may be available or specified by the Company from time to time. Electric service shall be delivered by the Company from overhead supply lines, except (i) in certain restricted areas where the Company elects to provide an underground network system of distribution and/or (ii) where other underground facilities are installed pursuant to specific provisions of this Tariff.

The rate schedules, rules and regulations governing electric service as herein contained, are subject to termination, change or modification by posting, filing, and publishing any subsequent rate schedule or supplement in accordance with the Public Utility Law or under order or by permission of the Pennsylvania Public Utility Commission. No agent, representative or employee of the Company has any right to modify or alter any provision of the Company's schedule of rates, rules and regulations.

DEFINITIONS

The following is a list of some of the most commonly used terms in this Tariff. All capitalized terms referenced in this Tariff shall be defined as set forth below or as otherwise defined in any particular Rule, Rate Schedule or other Provision hereof. In the event of a conflict between any of the definitions set forth below or those contained in a more specific provision of this Tariff, the definition contained in the more specific provision shall prevail.

Act 129 – Act 129 of 2008, amending Title 66 of the Pennsylvania Consolidated Statutes.

Advanced Metering – A Customer's billing meter as defined in 52 Pa. Code Chapter 57, Subchapter O. Advanced Meter Deployment.

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Alternative Energy Portfolio Standards (“AEPS”) – Standards requiring that a certain amount of electric energy sold from alternative energy sources be included as part of the sources of electric utilities within the Commonwealth of Pennsylvania in accordance with the Alternative Energy Portfolio Standards Act, 73 P.S. §1648.1 – 1648.8 (“AEPS Act”) as may be amended from time to time.

(C)

Applicant – Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person at least 18 years of age not currently receiving service who applies for Residential Service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term does not include a person who seeks to transfer service within the service territory of the Company or to reinstate service at the same address provided that the final bill for service is not past due.

Basic Electric Supply – For purposes of the Company’s Purchase of EGS Receivables Program, energy (including renewable energy) and renewable energy or alternative energy credits (RECs/AECs) procured by an EGS, provided that the RECs/AECs are bundled with the associated delivered energy. For residential Customers, Basic Electric Supply does not include early contract cancellation fees, late fees, or security deposits imposed by an EGS.

Black Start Service – The ability of a Generating Facility to go from a shutdown condition to an operating condition and start delivering power without assistance from the power system (i.e., the Company’s electrical system).

Cash Advance – A refundable contribution in cash from an Applicant for those costs associated with a Line Extension, increased for applicable taxes, which is held by the Company in a non-interest bearing account.

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Combined Billing – The aggregation of the billing determinants of two or more meters of the same Customer at the same location for billing purposes.

Commercial Customer Class – Rate Schedules GS (excluding GS Special Rule GSDS), PNP, GM, GS-Large, PLS, SV, SVD, SM, and LED.

(C)

Commission – The Pennsylvania Public Utility Commission or any lawful successor thereto.

Community Association – A formal organization (including unit owners' associations) of persons, whether incorporated or unincorporated, having rights in a residential development; such organizations having been formed to provide services (including, but not limited to, street lighting services) to the residential development where such services are not provided by a municipality.

Company – Pennsylvania Power Company.

Competitive Energy Supply – The unbundled energy, capacity, market based transmission and ancillary services provided by an Electric Generation Supplier pursuant to the Customer Choice and Competition Act.

Connected Load – The sum of the horsepower, kilowatts or kilovolt ampere ratings of all the devices located on a Customer's premises that are connected to the Company's electric system, or which can be connected simultaneously by the insertion of fuses or by the closing of a switch. The manufacturer's nameplate rating may be used to determine the input rating of a particular device. In the absence of such manufacturer's rating, or whenever a Company test indicates improper rating of a device, the rating shall be determined on the basis of the kilovolt-amperes required for its operation.

Consolidated Billing – The issuance of a bill to the Customer by the Company that includes Delivery Service Charges and the charges imposed upon the Customer by an Electric Generation Supplier with whom the Customer has contracted for Competitive Energy Supply.

Contract Demand – The capacity required for operation of an Applicant's/Customer's equipment, as stated in any application or contract for service.

Contractor Costs – The amounts paid by the Company for work performed by a contractor retained by the Company.

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Contributions in Aid of Construction (“CIAC”) – A non-refundable contribution in cash from an Applicant for those costs associated with a Line Extension and/or tree trimming, brush clearance and related activities or those costs associated with Temporary Service or the relocation of Company facilities, increased for applicable taxes.

(C)

Customer(s) – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc., or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the Residential Service is being requested. A natural person remains a Customer after discontinuance or termination until the final bill for service becomes past due.

Customer Choice and Competition Act – The Pennsylvania legislation known as the “Electricity Generation Customer Choice and Competition Act,” 66 Pa. C. S. §§ 2801-2813 as implemented by the Default Service Regulations 52 Pa. C. S. §§52.181-52.189, and by Act 129 and as may be amended from time to time.

Default Service – Service provided pursuant to a Default Service Program to a Default Service Customer.

Default Service Customer – A Delivery Service Customer not receiving service from an EGS.

Delivery Service – Provision of distribution of electric energy and other services provided by the Company.

Delivery Service Charge – A charge that includes the Monthly Minimum Charge, Distribution Charge, and all charges and surcharges imposed under other applicable tariff provisions.

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Delivery Service Customer – A Customer who takes Delivery Service.

Demand – The rate of use of electric energy during a specified time interval, expressed in kilowatts and reactive kilovolt-amperes.

Developer – The person or entity responsible for constructing and providing improvements in a Development, including, but not limited to, streets, sidewalks and utility-ready lots.

Development – A planned project which is developed by a Developer for electric service set out in a recorded plot plan of five (5) or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or one (1) or more five-unit apartment houses, all of which are intended for year-round occupancy, if electric service to such lots necessitates extending the Company's existing Distribution Lines.

Direct Labor Costs – The pay and expenses of Company employees directly attributable to work performed, excluding construction overheads or payroll taxes, workmen's compensation expenses or similar expenses.

Direct Material Costs – The purchase price of materials used, excluding related stores (i.e. warehousing) expenses. In computing Direct Material Costs, proper allowance shall be made for unused materials recovered from temporary structures, and for discounts allowed and realized in the purchase of materials.

Discontinuance of Service – The removal of a customer's meter and/or service wires or the de-energizing of a meter.

Distribution Charge – A charge designed to recover the costs the Company incurs in using its distribution system or local wires to deliver electricity to a Customer.

Distribution Line – An electric supply line and related equipment of 34,500 volt delta configured or lower voltage from which energy is delivered to one (1) or more Service Lines.

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Electric Generation Supplier (EGS) – EGS shall have the meaning as set forth in the Customer Choice and Competition Act.

Energy Charge – A charge based upon kilowatt-hours of use.

Energy Efficiency and Conservation Charge – A reconcilable, non-by-passable charge applied to each Billing Unit during a billing month to Delivery Service Customers, pursuant to the terms of the Phase III Energy Efficiency and Conservation Rider.

FERC – The Federal Energy Regulatory Commission.

Generating Facility – Any equipment and/or facility that is electrically interconnected to the Company and is (i) capable of generating electrical energy for delivery into the PJM control area and (ii) is located on a single site within the Company's service territory. A single site with multiple generating units, each owned by a single entity, shall constitute one Generating Facility. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generating Facility if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

Hertz – A unit of frequency, equal to one cycle per second.

Horsepower (HP) – Unit of mechanical power representing rate of consumption of power and equivalent to 746 watts. As used herein, horsepower is computed as the equivalent of 750 watts.

Hourly Pricing Service Charges – For Customers served under Rate Schedules GP, GT, GS-Special Rule GSDS, GS-Small (on a voluntary basis), GS-Medium (on a voluntary basis), and GS-Large (on a voluntary basis). Customers that elect this rate, the charges representing the Company's costs for providing energy, capacity, including the cost of complying with non-solar AEPS, transmission, and ancillary services for Default Service Customers. (C)

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Individualized Contract – Shall have the meaning ascribed to it in Rule 14.

Industrial Customer Class – Rate Schedules GP, GT and Special Rule GSDS. (C)

Kilovar (KVAR) – 1,000 volt-amperes reactive.

Kilovolt-ampere (KVA) – 1,000 volt-amperes.

Kilowatt (KW or kW) – 1,000 watts.

Kilowatt-hour (KWH or kWh) – 1,000 watts for one (1) hour.

Line Extension – The extension of the Company's distribution system from the nearest suitable and available Distribution Line to the Service Line which will provide service to the Customer.

Monthly Minimum Charge – A charge designed to recover the costs the Company incurs in billing a Customer's account and providing other services.

Net Station Power – The quantity of electrical energy and/or capacity actually provided by the Company to the Generating Facility for Station Power during an applicable period after crediting the amount, if any, of electric energy during the applicable period (i) produced by the Generating Facility and delivered into the PJM control area or (ii) as permitted under "Station Power Energy Netting" as described in the applicable Rate Schedule.

Network Integration Transmission Service – Network Integration Transmission Service as set forth in the PJM Open Access Transmission Tariff and any direct Transmission Owner charged expense.

Network Service Peak Load (kW NSPL) – A Customer's one (1) coincident peak kW Network Service Peak Load in effect from time to time, as calculated by the Company in accordance with PJM rules and requirements.

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Non-Profit Ambulance Service – Any nonprofit chartered corporation, association, or organization located in the Commonwealth of Pennsylvania which (i) is regularly engaged in the service of providing emergency medical care and transportation of patients, (ii) possesses all necessary legal authority in Pennsylvania to perform emergency medical care and transportation of patients and (iii) provides such services from a building or other structure located in the Company's service territory that constitutes a separately metered location for electric delivery purposes. The electric service used by the Non-Profit Ambulance Service shall be primarily to support its service. The Customer/Applicant shall provide all documentary and other evidence of its compliance with this provision if requested by the Company.

Non-Profit Rescue Squad – Any nonprofit chartered corporation, association, or organization located in the Commonwealth of Pennsylvania which (i) is regularly engaged in providing rescue services, (ii) possesses all necessary legal authority in Pennsylvania to perform rescue services and (iii) provides such services from a building or other structure located in the Company's service territory that constitutes a separately metered location for electric delivery purposes. The electric service used by the Non-Profit Rescue Squad shall be primarily to support its service. The Customer/Applicant shall provide all documentary and other evidence of its compliance with this provision if requested by the Company.

Non-Profit Senior Citizen Center – A separately metered service location comprised of a building or other structure used by senior citizens as a meeting or gathering facility for individuals or groups, and where services to senior citizens are provided. The Customer of record at this service location shall be an organization recognized by the Internal Revenue Service as non-profit and by the Department of Aging as an operator of a senior citizen center.

Non-Speculative Line Extension – A Line Extension for a Permanent Residential Customer under which the Company has taken into account various factors including, but not limited to, Customer location, rate classification, projected Company revenues, permanency of use, primary residence and prospect of use by future Customers, and has deemed the cost for the Line Extension to be reasonable for the Company to incur.

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Non-Summer – The calendar months of October through May.

(C)

On-Peak Hours – The On-Peak hours shall be from 8:00 a.m. to 9:00 p.m., prevailing times, Monday through Friday excluding holidays. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are subject to change from time to time by the Company after giving notice of such changes to Customers.

Permanent Residential Customer – A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

PJM – PJM Interconnection, L.L.C. or any successor organization/entity thereto.

Point of Delivery – The location at which the Company service connection terminates and the Customer's wiring and installation begins.

Power Factor – The ratio of the watts to the volt-amperes.

Price to Compare Default Service Charge – The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with non-solar AEPS, market based transmission and ancillary services for Customers who take Default Service.

(C)

Primary Voltage – Voltage greater than 600 volts but less than 23,000 volts.

Private Right-of-Way – The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

(C) Change

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Public Right-of-Way – The right-of-way or easement for electric facilities, subject to reasonable permitting, on, over, under, across and/or through real or other property owned by a governmental, municipal or other public body to provide service.

Purchase of EGS Receivables (“POR”) Program – The Company will purchase the account receivables associated with EGS sales of Competitive Energy Supply. The Company will purchase only those receivables that are associated with Basic Electric Supply services and not receivables associated with charges for other products or services.

Rate Schedule – The specific set of terms and conditions (including prices) applicable to Customers and identified as such under this Tariff.

Real Time Hourly LMP – Shall have the meaning specified in the PJM Open Access Transmission Tariff.

Residential Customer – Customers using single phase service for residential lighting, appliance operation and general household purposes, or for the combined residential and incidental non-residential purposes.

Residential Customer Class – Rate Schedules RS and GS-Volunteer Fire Company, Non-Profit Ambulance Service, Non-Profit Rescue Squad and Non-Profit Senior Citizen Center.

Residential Service – Electric service under the Company’s Residential Rate Schedules that is available to: (i) an individual dwelling unit, generally a house, mobile home or an individually metered apartment, where there is no more than 2,000 watts connected load associated with any commercial enterprise served as part of said dwelling unit, house, mobile home or individually metered apartment; (ii) a residential farm where the metered service includes service to an occupied dwelling unit; (iii) a camp or cottage served in the name of an individual and intended for part-time occupancy as a dwelling by a family or an individual; or (iv) multiple dwellings, where specified in any applicable Residential Rate Schedule. Residential Service does not include electric service to: (i) any facility not including an occupied dwelling unit, such as a separately metered garage, barn, water pump, etc.; and/or (ii) any facility served in the name of, or for the use of, a corporation, partnership, association, society, clubs, etc., not being used as a single dwelling unit.

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Secondary Voltage – Voltage of 600 volts or less.

Service Line – An electric supply line from the Distribution Line to the Customer's metering point from which electric service is delivered to the Customer.

Smart Meter Technologies Charge Rider – A reconcilable, non-by-passable charge applied as a monthly Customer charge during each billing month to Delivery Service metered Customers, excluding Street Lighting Service, Ornamental Street Lighting Service, Outdoor Lighting Service, LED Street Lighting Service, and Borderline Service pursuant to the terms of the Smart Meter Technologies Charge Rider.

Solar Photovoltaic Requirements Charge or SPVRC – A reconcilable, non-by-passable charge applied to each kWh delivered during a billing month to Delivery Service Customers pursuant to the terms of the Solar Photovoltaic Requirements Charge Rider.

Speculative Line Extension – A Line Extension in which the Company has taken into account various factors including, but not limited to, Customer location, rate classification, projected Company revenues, permanency of use, primary residence and prospect of limited use by future Customers, and has deemed the cost of the Line Extension to be unreasonable for the Company to incur.

Station Power – The electrical energy used for operating the electric equipment on the site of a Generating Facility located in the PJM control area or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a Generating Facility that are used in the operation, maintenance, or repair of the facility. Station Power does not include any energy (i) used to power synchronous condensers, (ii) used for pumping at a pumped storage facility, (iii) used in association with restoration or Black Start Service or (iv) that is normally supplied to any buildings, structures, facilities, etc. on the site of such a Generating Facility that are metered separately and served directly from the Company's distribution system. Energy provided for the uses described in subparagraphs (i) - (iii) above constitute wholesale transactions, and energy provided for the uses described in subparagraph (iv) above are retail transactions which will continue to be billed under the applicable Rate Schedule.

Subdivider – The person or entity responsible for dividing a tract of land into building lots, to form a Subdivision, that are not to be sold as utility-ready lots.

GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

Subdivision – A tract of land divided by a Subdivider into five (5) or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or apartment houses, all of which are intended for year-round occupancy, if electric service to such lots necessitates extending the Company's existing Distribution Lines.

(C)

Sub-transmission Voltage – 23,000 volts.

Summary Billing – The summation of the charges for a Customer's multiple accounts and provision thereof to the Customer in a single bill.

Summer – The calendar months of June through September.

Tariff – This document, including, but not limited to, the Rules, Regulations and Rate Schedules and Riders contained herein, as filed with and approved by the Commission.

Temporary Electric Service – A Service Line, meter and/or other work supplied by the Company to the Customer for electric service over a defined period, usually less than one (1) year.

Transmission Voltage – Voltage equal to or greater than 69,000 volts.

Universal Service – Policies, protections and services that help residential low-income Customers maintain electric service. The term includes Customer assistance programs, termination of service protections and policies and services that help low-income Customers to reduce or manage energy consumption in a cost-effective manner.

Universal Service Charge – The charge developed and calculated in accordance with Rider C – Universal Service Cost Rider.

Volunteer Fire Company – A service location consisting of a building, sirens, a garage for housing vehicular firefighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service at this service location shall be to support the activities of the Volunteer Fire Company. Any fund raising activities at this service location must be used solely to support volunteer fire fighting operations. The Customer of record at this service location must be predominately a Volunteer Fire Company recognized by the local municipality or PEMA as a provider of firefighting services.

(C) Change

GENERAL RULES AND REGULATIONS

HOW TO OBTAIN SERVICE/CHANGES TO SERVICE**1. Applications/Contracts**

All Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service.

If more than one Rate Schedule is available for any service, the Company will assist the Customer initially in selecting the Schedule which, on the basis of the Customer's advice to the Company regarding the anticipated service conditions, is most advantageous. If, as a result of a permanent change in the Customer's service conditions, another Rate Schedule becomes more advantageous to the Customer, the Company will, after written notice by the Customer of such change, recommend such other Rate Schedule.

A Non-Residential Applicant for any service under this Tariff may be required to sign an application and/or a contract for electric service. However, the Company may accept an oral application from a Non-Residential Applicant.

The Company shall accept an oral application from a Residential Applicant, except that the Company may require a written application from a Residential Applicant if the Company believes that positive identification is necessary.

The Customer shall inform the Company in advance of any proposed additions to (or decreases in) the Customer's connected electrical load. The Company may require a written application and or contract for changes in load or services.

The minimum term of contracts for any type of electric service under this Tariff shall be as stated in the applicable Rate Schedule(s) or any other provisions of this Tariff. Unless otherwise specified in any particular Rate Schedule or any other provisions of this Tariff, the term of any contract for any type of electric service under this Tariff that requires a contract term of not less than one (1) year shall commence on the date specified by the Company and terminate on the Customer's closest scheduled meter read date on or after twelve (12) months from the commencement date of such contract.

(C)

The Company may require, as a condition of the furnishing of service to an Applicant, the payment of any outstanding account in the Applicant's name which accrued within the past four years or for any outstanding account for which the Applicant is determined to be legally responsible and for which the Applicant was properly billed.

(C) Change

GENERAL RULES AND REGULATIONS

The Company may require an Applicant/Customer to make the payment of any outstanding balance or portion of an outstanding balance if the Applicant/Customer resided at the property for which service is requested during the time the outstanding balance accrued and for the time the Applicant/Customer resided at the property not to exceed four years. The Company may establish that an Applicant/Customer previously resided at a property through the use of mortgage, deed, lease information, a consumer credit reporting service, a Financial Summary that provides the names and income of adult occupants of a household, and a web-based tool such as "Accurint" to research Applicant/Customer information.

2. **Deposits**

Where an Applicant's/Customer's credit is not established or the credit of a Customer with the Company has, in the Company's judgment become impaired, or where the Company deems it necessary, a deposit or other guarantee satisfactory to the Company may be required to be supplied by the Applicant/Customer as security for the payment of future and final bills before the Company shall commence or continue to render any type of electric service to the Applicant/Customer. Deposits required by the Company for Tariff charges shall include unpaid EGS charges that are subject to the Company's POR.

The Company utilizes a generally accepted credit scoring methodology in range of general industry practice that is based on an applicant or customer's utility payment history.

(C)

The Company may request deposits from Customers taking service for a period of less than thirty (30) days, in an amount equal to the estimated bill for the cost of total services provided by the Company for such temporary period. Deposits may be required by the Company from all other Customers, in an amount that is in accordance with 52 Pa. Code § 56.51.

Deposits for Residential Customers shall be returned to them in accordance with the provisions of the Responsible Utility Customer Protection Act (66 Pa. C.S. §§ 1401-1418) and the provisions of the Commission's Regulations at 52 Pa. Code Chapter 56, as amended from time to time. Deposits from all other Customers may be held by the Company, in its sole and exclusive judgment, until the Customer discontinues service or the Company determines that the Customer has established a satisfactory payment record. Upon discontinuance of all Company service and payment in full of all charges and financial guarantees, the Company shall refund the deposit or deduct any unpaid amounts from the deposit and refund the difference, if any, to the Customer. The deposit shall no longer accrue interest upon the discontinuance of service.

The interest rate on Residential Customer deposits will be calculated pursuant to The Fiscal Code, as amended annually.

(C) Change

GENERAL RULES AND REGULATIONS

3. Right-of-Way

An Applicant (and/or any existing Customer seeking additional service) requesting service from the Company, at the Applicant's/Customer's own expense, shall provide and grant to the Company a right-of-way, easement and/or permits satisfactory and acceptable to the Company, which by the Applicant/Customer has been cleared of trees and any other vegetation, as may be necessary for the erection and maintenance of the poles, wires and appurtenances, together with such tree and vegetation trimming and removal privileges as required per the Company's vegetation management policies to provide and maintain service.

Such right-of-way, easement and/or permits shall be granted to the Company without charge and shall permit the Company to permanently erect and maintain facilities over, under, through, across and/or along the property owned or controlled by the Applicant/Customer in order to provide electric service to the Applicant/Customer, provided, however, that no new right-of-way, easement and/or permits shall be required if a valid and continuing right-of-way, easement and/or permits with equivalent rights and privileges has already been granted to the Company by such Applicant/Customer or any predecessor in interest.

The Company shall not be obligated to provide any electric service to an Applicant/Customer until the Company has received and/or obtained satisfactory and acceptable to the Company rights-of-way, easements and/or permits from, but not limited to, the Applicant/Customer, applicable Government agencies, railroad owners or other property owners. Any right-of-way, easement or permit fees, either initial or recurring, or other charges in connection with rights-of-way, easements or permits for providing service to an Applicant/Customer, shall be paid for by the Applicant/Customer.

4. Extension of Company Facilities: System Upgrades

The standard service provided by the Company for delivery of electric energy to a Customer under this Tariff, regardless of delivery voltage, shall be from overhead Distribution Lines, except as noted in any Rate Schedule or other applicable provision of this Tariff. Subject to the requirements of this Tariff, the Company shall extend its Distribution and Transmission Lines to Applicants. Any request for electric service that requires the extension, removal, relocation or change of the Company's existing Distribution and Transmission Lines shall be provided as set forth in this Rule. Applicants requesting a Line Extension shall, at the Company's discretion, execute the Company's Line Extension contract. Any Customer served by a Line Extension completed before the effective date of this Rule 4 shall be subject to the terms and conditions of its existing Line Extension contract and the Company's then-applicable Line Extension tariff, rules and regulations.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

a. Line Extensions**(1) Non-Speculative Single Phase Line Extension****Company Obligations**

As used in this Rule 4, a span of conductor is approximately equal to 180 feet. The Company shall construct, own and maintain all Line Extensions. The Company shall provide an Applicant, at no charge, up to three (3) spans of conductor, three (3) poles and related material on Public Right-of-Way for each Line Extension, including the Service Line. The Company shall provide an Applicant, at no charge, one (1) span of conductor and related material on Private Right-of-Way for each Line Extension, including the Service Line, to serve a Permanent Residential Customer. The number of spans provided to an Applicant/Customer at no charge shall be referred to in this Rule 4 as the span allowance. The Company's engineering layout shall be the sole basis used for determining the design of the Line Extension and/or Service Line. Any additional Line Extension and/or Service Line costs in excess of those costs assumed by the Company under this Tariff shall be borne by the Applicant/Customer.

The Company shall not commence construction of a Line Extension and/or Service Line until completion of all of the following:

- (a) The Company's receipt and acceptance of an application for electric service.
- (b) Execution by the Company and the Applicant/Customer of appropriate agreements for electric service and/or Line Extensions, and the payment by the Applicant/Customer of any and all associated costs or charges.
- (c) The Applicant/Customer requesting the Line Extension and/or Service Line has furnished to the Company rights-of-way, easements and/or permits on, over, across, under and/or through the Applicant's/Customer's property that are necessary for the construction, maintenance and operation of the Line Extension and/or Service Line in accordance with Rule 3 of this Tariff and which are in form and substance satisfactory and acceptable to the Company.

The Company shall be under no obligation to construct the Line Extension and/or Service Line in the event it is unable to acquire all necessary rights-of-way, easements and/or permits and other consents from any parties other than the Applicant/Customer, in such form and substance satisfactory and acceptable to the Company.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

Applicant Obligations

Where the Non-Speculative Line Extension and/or Service Line exceeds the span allowance, the Applicant/Customer shall make a CIAC or Cash Advance to the Company equivalent to the Company's estimated Direct Labor Costs and Direct Material Costs and/or Contractor Costs for construction of that portion of the Line Extension and/or Service Line which is in excess of the span allowance. All Line Extension and/or Service Line costs in excess of the span allowance shall be charged to the Applicant/Customer.

In the event that an Applicant/Customer makes a Cash Advance to the Company for construction costs in excess of the span allowance, refund(s) shall be made to the initial Line Extension Applicant/Customer for each new Permanent Residential Customer added to the initial Line Extension. The refund(s) shall be calculated by the average cost per foot of the Line Extension in excess of the span allowance. Refunds shall be made only for Customer additions made within five (5) years from completion of the initial Line Extension and the sum of any refund(s) shall never exceed the initial Line Extension Applicant's / Customer's Cash Advance. Any balance from the Cash Advance remaining after five (5) years shall be retained by the Company. In lieu of paying a Cash Advance to the Company, the Applicant/Customer may elect to pay a CIAC to the Company.

If the Applicant/Customer requests, and Company approves, Line Extensions and/or Service Lines may be installed underground. Where a Customer requests underground service from overhead distribution facilities, the Company shall install such service upon receipt of a contribution, in the form of a CIAC, from the Customer equal to the amount the underground service costs exceed the overhead service costs. These costs will not be part of any Cash Advance or refund to a Cash Advance. The Company shall own, operate and maintain such underground facilities. In such case, the Applicant/Customer shall provide all necessary conduit, conduit installation, trenching, excavation, backfilling and grading in accordance with Company specifications, and shall bear all costs thereof.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

The Applicant/Customer shall perform or arrange and pay for all Company-directed rough grading in accordance with the Company's specifications for underground lines and facilities, as said specifications shall be modified by the Company from time to time.

The Applicant/Customer shall pay the cost of all tree trimming, brush clearance and related activity associated with the establishment of the right-of-way, easement or permit for the Line Extension and/or Service Line in compliance with Rule 3.

If Applicant/Customer requests any deviation from the Company's specifications, the Company may, in its sole and exclusive discretion, approve such request. Any Company-approved deviations from its construction practices shall be at the Applicant's/Customer's sole expense.

(2) Underground Electric Service in New Residential Developments**Company Obligations**

All Distribution Lines and Service Lines installed within a new residential Development shall be installed underground; shall conform to the Company's construction standards, the specifications set forth in the National Electric Safety Code (NESC), and shall be owned and maintained by the Company. The Company or its agent shall install the necessary service-related facilities that may include the installation of padmount transformers. The Company shall, at the request of the Developer, install underground street lighting lines at the time of the original request for service to the Development or thereafter within the same Development. All street lighting shall be provided in accordance with this Tariff.

The Company shall require for Developments which qualify under this Rule 4a(2) (Underground Electric Service in New Residential Developments) and Rule 4a(3), (Speculative Single Phase and All Three-Phase Line Extensions and Service Lines) a CIAC or Cash Advance from the Applicant covering the Company's total estimated direct and indirect costs associated with the Line Extension to the tract of land being developed or within 100 feet of the boundary of Development. After the connection of Customers, external to the Development, to the Line Extension, a refund of the Cash Advance shall be made to the Applicant in accordance with Rule 4a(3) (Speculative Single Phase and All Three-Phase Line Extensions and Service Lines).

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

The Company shall have the right to perform its own excavating and backfilling. If the Company elects to perform its own excavating and backfilling, there shall be no other charges to the Developer or to any other utility sharing the same trench.

Developer Obligations

A Developer shall pay the cost of providing the Company with a copy of the recorded development plot plan identifying property boundaries and with rights-of-way, easements and/or permits satisfactory and acceptable to the Company for occupancy by distribution, service and street lighting lines and related facilities.

The Developer or its agent shall provide all conduit, conduit installation, excavating, rough grading and backfilling required by the Company and shall meet the Company's specifications as they may be in effect from time to time. The Company upon request shall provide copies of the specifications to the Developer.

A Developer shall pay the Company for any necessary and additional costs incurred by the Company as a result of the following:

- (a) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the Developer and is acceptable to the Company.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

- (b) A change in the plot plan by the Developer for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
- (c) Physical characteristics such as, but not limited to, oversized lots or lots with extreme setback.

A Subdivision is not required to have underground service. However, should the lot owner or owners in a subdivision desire underground service, such service shall be provided by the Company if such lot owner or owners, at their option, either comply with Rule 4a(1) (Non-Speculative Single Phase Line Extensions) or 4a(3) (Speculative Single Phase and All Three Phase Line Extensions and Service Lines).

If as a result of a Line Extension or any other request that results in an expansion of the Company's facilities, an increase in the Company's facilities, construction of a system upgrade or any other change to or the modification of the Company's electric system, the Applicant/Customer shall pay all costs for such work as specified in this Rule 4.

(3) Speculative Single Phase and All Three-Phase Line Extensions and Service Lines

When the Company is requested to increase capacity, expand facilities or construct Speculative Single Phase Line Extensions and/or Service Lines or Three-Phase Line Extensions and/or Service Lines, the Company shall determine from the circumstances of each case the nature and level of financing and/or guarantee of revenue required of the Applicant/Customer prior to construction or installation of Company facilities. The Company shall employ a five (5) year revenue guarantee in order to offset the initial construction costs. The five (5) year revenue guarantee includes five (5) years of forecasted distribution revenues less certain incremental delivery costs including, but not limited to, distribution operation and maintenance expenses, depreciation expenses, gross receipts taxes, state and federal income taxes, and a reasonable return component. The Company shall require the Applicant/Customer to make (i) a CIAC equivalent to the Company's total estimated costs associated with the construction of facilities necessary to render service in excess of the amount not covered by the revenue guarantee or (ii) a Cash Advance for the total construction costs to render service. The Company shall refund all or a portion of a Cash Advance previously provided by the Applicant in the event that the Company's revenue analysis for any newly connected Non-Residential Customer indicates that there are revenues in excess of the costs to provide service to that newly connected Non-Residential Customer, within five (5) years from the completion of the initial Line Extension.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

Where an application for an overhead Line Extension for a tract of land being developed or proposed to be developed, in whole or in part, for residential, commercial or industrial purposes, not covered by Rule 4a(2), (Underground Electric Service in New Residential Developments) is received from an entity that is not expected to be a Customer, the Company, prior to construction, shall require payment of a CIAC or a Cash Advance from the Applicant covering the Company's total estimated costs associated with the construction of said overhead extension (i) to the tract of land being developed and (ii) within the boundary of the tract of land necessary to serve prospective Customers in the tract.

After the connection of a Non-Residential Customer to the Line Extension, a refund of the Cash Advance shall be made to the Applicant in accordance with this Rule 4a(3) (Speculative Single Phase and All Three-Phase Line Extensions and Service Lines).

Applications for Speculative or Three-Phase Line Extensions and/or Service Lines shall be subject to the provisions of this Tariff.

In addition to the Line Extension costs described above, Customers shall also provide, install and pay for conduit, conduit installation, cable, metering conduit associated with their underground installation, including the Service Line, and such other costs specified in the Company's prevailing handbook.

The Applicant/Customer shall pay all costs as required for compliance with Rule 3.

b. Temporary Service

Temporary installations for Residential and Non-Residential Customers, requiring special service, meter or other work are made at the expense of the customer and shall provide electric service for a defined period, usually less than one (1) year ("Temporary Service"). Temporary Service, such as for construction purposes or exhibits of short duration, etc. shall be installed and removed at the Applicant's/Customer's expense. The Company shall provide the Temporary Service upon application from an Applicant/Customer. The Company shall provide the Temporary Service, provided that the Applicant/Customer reimburses the Company for all costs of installing and removing the service installation, including both material and labor, less the salvage recovered from all materials and equipment removed after

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

termination of service. In all such cases, the Applicant/Customer shall make an advance payment to the Company sufficient to cover the estimated charges for installation and removal of the Temporary Service.

For Temporary Service for residential single-unit house construction where both the temporary Service Line and meter can be transferred to the completed building, the Temporary Service shall be provided by the Company upon the Applicant's/Customer's payment of the Company's estimated costs to provide this service.

c. Relocation of, or Modification to, Company Facilities; Service Interruptions

If as a result of a Line Extension or any other request that results in an expansion of the Company's facilities, an increase in the Company's facilities, construction of a system upgrade or any other change to or the modification of the Company's electric system, the Applicant/Customer shall pay all costs for such work as specified in this Rule 4.

Company Obligations

The Company shall remove, relocate or change the Company's facilities or temporarily interrupt service to a Customer's premises, upon the Customer's request, where such removal, relocation, change or interruption is acceptable to the Company.

The Company shall provide the Residential Customer with an estimate of the costs of removing, relocating, changing or interrupting the Customer's service, and the Residential Customer shall pay that amount to the Company prior to performing the work.

The Company shall bill the Residential Customer based upon the Contractor Costs and/or Direct Labor and Direct Material Costs associated with the removal, relocation or change of distribution facilities or interruption, less an amount equal to any maintenance expenses avoided as a result of such work.

The Company may request a Non-Residential Customer or other person or entity to pay to the Company in advance the estimated cost to perform such work. The Company shall bill Non-Residential Customers or other person or entity the total cost of the work, including the total direct and indirect costs.

GENERAL RULES AND REGULATIONS

Rule 4 – Extension of Company Facilities: System Upgrades (continued)

After completion of the work, the Company shall bill or refund to the Non-Residential Customer or other person or entity, the difference between the estimated cost and the total direct and indirect cost of such work.

Customer Obligations

A Customer desiring the removal, relocation or change of Company facilities or interruption shall submit a request to the Company.

The Company may accept or reject said request in its sole and exclusive discretion. If the Company accepts said request, the Customer shall pay in advance the Company's total estimated cost for any Customer requested temporary interruption in the Customer's service due to construction, maintenance or other activities.

All Customers or other parties that request the removal, relocation or change of Company facilities shall furnish, without expense to the Company, satisfactory and acceptable to the Company rights-of-way, easements and/or permits for the construction, maintenance and operation of the relocated facilities.

Non-Residential Property Owner

A non-residential property owner shall not be relieved or excused from paying all costs associated with the relocation or modification of the Company's facilities or temporarily interrupt electric service to a Non-Residential Customer's property under this Rule 4(c) if such relocation or modification of Company facilities or temporary service interruption is the result of any order, rule, regulation or other direction to said property owner from any governmental or public authority.

GENERAL RULES AND REGULATIONS

5. Taxes on Applicant/Customer Advances

Any Applicant/Customer advance or other like amount received from an Applicant/Customer under this Tariff, under any contract executed under this Tariff or any other prior tariff shall constitute taxable income to the Company as defined by the Internal Revenue Service and shall be increased to include a payment by the Applicant/Customer equal to the applicable taxes. Such payment for taxes associated with such Applicant/Customer advance shall provide for the effect of current tax obligations offset by the present value of future tax deductions associated with the facility(ies) to be provided by the Company. The discount rate to be used for present value calculations shall be the Company's Allowance for Funds Used During Construction ("AFUDC") rate adjusted to a net of tax basis. Payments for taxes associated with Applicant/Customer advances shall not be discounted since any refunds of Applicant/Customer advances shall include a pro rata refund of amounts previously collected for applicable taxes.

6. Proof of Inspection

The Company will not connect or furnish electric service to or for a residential building or the completed construction, addition, alteration or repair of such a building or electric service upgrade unless the Applicant provides written proof to the Company that the building or structure has passed the inspections specified by and required under the Uniform Construction Code, 35 P.S. §§7210.101, *et seq.* ("*Construction Code*") and the Permit and Inspection Process for Residential Buildings established in the regulations implementing the *Construction Code* at 34 Pa. Code. §§403.61-.66.

For purposes of this Rule 6, the following definitions shall apply:

Addition – An extension or increase in the floor area or height of a building or structure, as defined by the *Construction Code*, 35 P.S. §7210.103.

Alteration – Any construction or renovation to an existing structure other than repair or addition, as defined by the *Construction Code*, 35 P.S. §7210.103.

Repair – The reconstruction or renewal of any part of an existing building for purpose of its maintenance, as defined by the *Construction Code*, 35 P.S. §7210.103.

Residential building – Detached one-family and two-family dwellings and multiple single-family dwellings which are not more than three (3) stories in height with a separate means of egress which includes accessory structures, as defined by the *Construction Code*, 35 P.S. §7210.103.

GENERAL RULES AND REGULATIONS

CHARACTERISTICS OF SERVICE

7. Wiring, Apparatus and Inspection**Company Obligations**

The Company, owns, maintains, furnishes and installs the meters, unless otherwise allowed by the Commission. In addition, the Company shall install and maintain the transformers and Service Lines it deems necessary to provide for secondary service, unless specified otherwise in an applicable, valid and binding agreement. All equipment/facilities supplied by the Company shall remain its exclusive property and may be removed, in the Company's sole discretion, after termination of service for whatever cause.

The Company shall extend only one service lateral to a Customer's premises and install one (1) meter except where, in the Company's sole judgment, special conditions warrant the installation of additional facilities. Any type of service supplied by the Company to the same Customer at other points of delivery shall be metered and billed separately.

The Company shall repair and maintain any facilities/property it has installed on a Customer's premises. However, the Customer shall pay the full cost of inspection, repairs and/or replacement of all such facilities/property that may be damaged due to a Customer's negligence. No one shall break any seals or perform any work on any Company facilities including, but not limited to, meters without first receiving the Company's consent and approval.

GENERAL RULES AND REGULATIONS

Rule 7 – Wiring, Apparatus and Inspection (continued)

Applicant/Customer Obligations

Electric service installations shall be in accordance with the National Electrical Code, and all applicable local, state and federal codes, statutes and regulations, except as modified by the Company's then-applicable handbooks, booklets or other documents covering such installations, as they may be amended by the Company from time to time. A copy of the Company's requirements for electric service installations is available on the Company's website. The Company shall not be responsible for any injury or damage which may result from defects in wiring or devices on the customer's premises, provided, however, the Company may, without the assumption of any liability, connect a Customer's installation upon the filing of a proper application for inspection with the authority having jurisdiction, specifically reserving the right to disconnect said service if the said installation, on final inspection, proves defective and the customer, after reasonable notice, shall fail or refuse to rectify the said defects. If, on existing installations, there is reasonable doubt as to the safety of existing electrical equipment or wiring, the Company shall require, as a condition to furnishing service, that the service be inspected and approved by a qualified inspector in accordance with the National Electrical Code.

In the event that the Company is required by any state, federal or local governmental or public authority to place or relocate all or any portion of its facilities, including, but not limited to, mains, wires or services, poles or underground feeders, the Applicant/Customer shall, without cost or expense to the Company, change the location of the Applicant's/Customer's point of delivery to a point specified by the Company.

Upon the Company designating a point of delivery at which its service line will terminate, the Applicant/Customer shall provide, at its sole cost and expense, a place suitable to the Company for the installation of metering and all other electric facilities needed for the supply of electric energy by the Company or an EGS. Meters shall be located on the outside wall of a building as near as possible to the service entrance or under certain circumstances, when approved by the Company, inside of a building.

The Company may refuse to connect with any Applicant's/Customer's installation or to make additions or alterations to the Company's service connection when such installation is not in accordance with the National Electrical Code, and all applicable local, state and federal codes, statutes and regulations, and where a certificate approving such installations, additions or alterations has not been issued by (i) an electrical inspection authority contained on a list of such authorities maintained by the Pennsylvania Department of Labor and Industry or (ii) any city or county inspection entity having exclusive authority to make electrical inspections in that area.

GENERAL RULES AND REGULATIONS

Rule 7 – Wiring, Apparatus and Inspection (continued)

When a Customer's facilities or use of equipment having operating characteristics that adversely affects or has the potential to adversely affect, in the Company's sole judgment, the Company's electric system, the Customer shall take corrective action at its sole expense as may be directed by the Company. Unless corrective action is taken, the Company is under no obligation to serve or to continue to serve such Customers.

Each Applicant/Customer shall provide to the Company such service information described in Rule 1 of this Tariff. The Applicant/Customer shall be responsible and liable to the Company for any damages resulting from the Customer's failure to provide such service information.

The Company will require the customer to maintain a Power Factor in the range of 85% (lagging) to 100% for secondary, primary and subtransmission service and 97% (lagging) to 99% (leading) for transmission service, coincident with the customers maximum monthly peak demand and to provide, at the Customer's expense, any corrective equipment necessary in order to do so. The Company may inspect the Customer's installed equipment and/or place instruments on the premises of the Customer in order to determine compliance with this requirement, as deemed appropriate by the Company. The Company may charge the Customer the Company's installation cost incurred for corrective devices necessary for compliance with this provision. The Company is under no obligation to serve, or to continue to serve, a Customer who does not maintain a Power Factor consistent with the parameters set forth in this provision. (C)

8. Metering**Company Obligations**

The Company owns, maintains, installs and operates a variety of meters, and related equipment designed to measure and record Customers' consumption and usage of all services provided under this Tariff. The Company may, in its sole and exclusive discretion, install such meters and related equipment it deems reasonable and appropriate to provide service to Customers under this Tariff. The Company may, in its sole and exclusive discretion, install such special metering equipment as may be requested by a Customer, subject to the Customer paying all of the Company's incremental material, labor, overheads and administrative and general expenses relating to such facilities. Where additional metering services and the associated costs for the additional metering services are contained within this Tariff, those costs shall also be applicable.

(C) Change

GENERAL RULES AND REGULATIONS

Rule 8 – Metering (continued)

The Company will provide upon request a list of available qualified advanced meters as approved by the Commission from time to time. The list and incremental costs are also available on the Commission's web page at <http://puc.paonline.com>.

The Company shall conduct inspections and tests of its meters in accordance with prudent electric practices and as otherwise prescribed by all applicable Commission regulations.

Customer Obligations

The Customer shall install metering equipment, other than meters, in accordance with the requirements specified by the Company as amended from time to time.

Any Customer requesting a test of its meter(s) shall pay such fee(s) as established or approved from time to time by the Commission. If a tested meter does not meet Commission accuracy standards, the fee shall be returned to the Customer and the meter shall be repaired or replaced.

If requested by a Customer, or Customer's designated agent, the Company may elect to supply near real time communication of raw data directly from the meter in a format not provided from the Company's standard metering equipment. All costs for providing near real time communication of raw data directly from the meter in a format not provided by the Company's standard metering equipment shall be paid by the Customer. If a Customer's, or Customer's designated agent subsequent consumption of kilowatts, kilovars and/or kilowatt-hours increases as a result of interruptions in the supply of raw data in any format due to, among other things, power outages or equipment failure which prevents the supply of raw data in any format, the Company shall not be responsible or liable, in damages or otherwise, for resulting increases in the Customer's bill.

GENERAL RULES AND REGULATIONS

Rule 8 – Metering (continued)

If requested by a Customer, the Company may elect to provide metering to a service location other than what is presently installed or otherwise proposed to be installed by the Company at that location. All costs for special metering facilities provided by the Company, including, but not limited to, all material, labor, overheads and administrative and general expenses, shall be billed to and paid by the Customer.

If requested by a Customer, the Company will install a communicating point-to-point (“PTP”) smart meter at a Customer’s metered service location prior to the Company’s system-wide deployment of smart meters. Prior to installation, the Customer shall pay \$346.95 for a single phase PTP smart meter and \$457.82 for a three phase PTP smart meter. Costs for Customer requests for a PTP smart meter at service locations without a functional public cellular network will be determined on a case by case basis and must be paid by the Customer prior to the commencement of Company work. Costs are charged individually for each metering point at each service location, and include the estimated incremental costs associated with a PTP smart meter, a communication cellular card, and connection fees. The Customer shall pay \$30.00 for requests to remove a PTP smart meter prior to the Company’s system-wide deployment of smart meters. All other costs and cost reconciliations associated with Customer requests for a PTP smart meter shall be collected from the associated customer class in the Smart Meter Technologies Charge Rider. The Customer is responsible for any repairs to Customer-owned equipment, such as meter socket repairs, prior to the installation of a PTP smart meter. The Company shall maintain ownership of all PTP smart meters.

The Company owns and installs the appropriate metering, along with an available metering communication technology, necessary to bill the Customer according to tariff provisions. Where the selected metering utilizes a communication technology not enabled by smart metering, the Customer is responsible for providing the communication link per the Company’s specifications or shall pay the Company any and all expenses for providing communications.

GENERAL RULES AND REGULATIONS

BILLING CONSIDERATIONS

9. Access to Customer Premises

The Company shall have the right to construct, operate and/or maintain any and all facilities it deems necessary to render electric service (including, but not limited to, billing and meter reading) to the Customer upon, over, across and/or under lands owned or controlled by the Customer. Each Customer shall grant the Company's employees or agents access to their premises at all reasonable times for any and all purposes relating to the supply of electric energy including, but not limited to, reading meters, testing or inspecting the Customer's wiring and connected load, repairing, removing or exchanging any or all equipment belonging to the Company, and for the purpose of removing the Company's property and/or facilities upon the termination of any applicable contract or the discontinuance of service from whatever cause.

10. Meter Reading and Rendering of Bills**a. Meter Reading**

- (1) Meters shall be read and bills for service shall be rendered monthly by the Company based upon its meter reading and billing schedule, except as otherwise provided in this Tariff. The Company reserves the right to read meters in all or any part of its service area on quarterly schedules, except as provided for under Chapter 56 of the Commission's regulations and to render standard bills for the recorded use of service based upon the time interval between meter readings. In addition, the Company may elect to read meters in all or any part of its service area less frequently than on a quarterly schedule and to render standard bills for the recorded use of service based upon the time interval between meter readings for (i) General Service Customers with constant use patterns such as, but not limited to, billboards, traffic signals, and pumps, and (ii) Seasonal Customers such as, but not limited to, camps and cottages.

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

- (2) At a Customer's request, not more than one (1) time per calendar year, the Company shall provide at no cost to the Customer, the Customer's historical billing data for the most recent twelve (12) months for which such data is available. If a Customer requests billing data (i) for a period earlier than the most recent twelve (12) months for which the data is available or (ii) in greater detail than normally maintained by the Company and provided to Customers, the Company may provide such additional data to the Customer, reserving the right to charge Customers an additional amount for historical billing beyond the most recent twelve (12) months to offset the costs of providing the service.

b. Rendering of Bills**(1) Estimated Bills**

When meters are read on other than a monthly schedule, the Company may render estimated monthly bills to Customers for the periods when meter readings are not obtained, and such bills shall be due and payable by each Customer upon presentation by the Company, subject to the Company's standard payment terms.

When interim monthly bills are not rendered by the Company, a Customer, at its option, may voluntarily pay the Company its own estimate of an interim monthly bill, and such payment shall be shown by the Company as a credit on the next standard bill rendered to that Customer.

In the event the Company is unable to gain access to the meter location to obtain readings, it may, at its option, estimate the amount of electric service supplied based upon the Customer's past usage or, if no prior Customer usage is available, the past usage at the service location, and render an appropriate bill, which shall be paid in accordance with the Company's payment terms specified in this Tariff. Any bills covering subsequent meter readings shall reflect any adjustment due to under- or over-estimation, or any unusual circumstances known to have affected the quantity of service used by the Customer or consumed at the premises.

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

The Company shall bill a Customer for energy used when, during any current or prior periods, a Customer's meter fails to correctly register the amount of electricity consumed. The amount of the bill or adjustments to prior bills shall be estimated by the Company, giving due consideration to the amount of use for the periods preceding and subsequent to such defective registration(s) by the meter.

(2) Summary Billing

Upon a Customer's request and the Company's approval, a Customer with multiple accounts may receive Summary Billing. Summary Billing may be permitted by the Company in those cases where read and due dates of the multiple accounts allow for Summary Billing without adversely affecting the timely payment of bills and where Summary Billing does not have an adverse financial impact on the Company. The Company may charge Customers an additional amount for Summary Billing to offset any actual or potential adverse financial impact on the Company. A single due date for accounts that are summary billed shall be established by the Company and provided to the Customer. Summary Billing shall not commence unless and until the Customer agrees to the due date established for such Summary Billing.

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

(3) Special Billing

The Company shall consider all requests from Customers to deviate from the Company's standard billing practices and procedures ("Special Billing"), including those described in this Tariff. The Company may agree to provide Special Billing to a Customer, subject to such terms and conditions as the Company may prescribe including, but not limited to, payment by the Customer of all costs associated with the Company providing such Special Billing.

(4) Equal Payment Plan

The Equal Payment Plan (EPP) for Residential Customers is designed to make monthly payments consistent throughout an entire year, leveling out seasonal highs and lows. At the request of a Delivery Service Residential Customer, the Company shall estimate the Customer's Delivery Service Charges for a twelve (12) month period. The EPP is calculated by adding the total of the dollars invoiced for the previous 355 days. This amount is divided by the number of days in the twelve-month invoice history, the result of which is then multiplied by 31. These amounts are reviewed every three months. Customer's EPP payment amounts are adjusted if the actual cost of service is lower or higher than the monthly estimated amount where: the percent difference is greater than or equal to 25% OR the dollar difference is greater than or equal to \$10. The review process occurs automatically during the invoice process in the appropriate month. If the review results in a change of the EPP amount, the information will be placed on the invoice advising the customer of the new amount and the next month's invoice will reflect the new amount. During the twelfth month, the anniversary bill will be presented. An information box will be placed on the invoice advising the Customer of the new amount. The Customer is responsible for the current EPP charge plus the difference in the EPP plan. A resulting reconciliation amount exceeding One-Hundred Dollars (\$100.00) will be amortized consistent with applicable regulations upon request of the Customer. If a credit exists at the true-up month, it will be cleared against the current month amount. If a Customer fails to pay an outstanding bill by the time its next monthly bill is rendered, the Company may terminate that Customer's Equal Payment Plan arrangements.

The Company shall make available the Equal Payment Plan for Default Service Charges and Delivery Service Charges for Federal Department of Housing and Urban Development ("HUD") financed housing during the time that such housing is either owned by HUD or subject to a first mortgage held or guaranteed by that agency which is (i) master metered and (ii) has electrically heated multi-family dwelling units. All provisions specified in this Rule 10b(4) for Equal Payment Plans for Default Service and Delivery Service Residential Customers shall apply to such housing.

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

(5) Combined Billing

Residential Customers with both metered Residential Service and private Outdoor Lighting Service may request to receive Combined Billing from the Company for the two services.

Combined Billing for Non-Residential Customers shall be restricted as stated in the applicable provisions of this Tariff.

(6) Consolidated Billing

A Delivery Service Customer that has contracted with an EGS shall receive Consolidated Billing from the Company unless the Customer requests bills only for Delivery Service Charges.

(7) Minimum Charge

Each Rate Schedule of this Tariff applicable to Residential and Non-Residential Customers shall specify the Minimum Charge applicable to all service and Customers taking service under such Rate Schedule.

(8) Transformer Losses Adjustment

The Company may, at its option, meter its service at Primary Voltage of Company-owned transformers or at the Secondary Voltage of Customer-owned transformers. In such cases, the applicable demand and energy charges shall be increased (in the case of metering at Secondary Voltage) or decreased (in the case of metering at Primary Voltage) by two and one-half percent (2.5%) to compensate for transformer losses.

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

(9) Power Factor/kilovar Billing

(C)

Billing for Power Factor or kilovars, whichever is applicable, shall be in accordance with the Customer's applicable Rate Schedule or other provisions of this Tariff. The Power Factor used for billing purposes shall be rounded to the next highest whole percent, unless otherwise stated in the Customer's applicable Rate Schedule or other provisions of this Tariff.

(10) Billing for Vandalism, Theft or Deception

In the event that the Company's meters or other equipment on the Customer's premises have been tampered or interfered with by any means whatsoever, resulting in improper or non-registration of service supplied, the Customer being supplied through such equipment shall pay to the Company the amount the Company estimates is due for service used but not registered on the Company's meter, and the cost of any repairs or replacements, inspections and investigations relating thereto including, but not limited to, all administrative expenses associated with the investigation(s) (e.g., Legal, Accounting/Billing, etc.). Under these circumstances, the Company may at its option terminate its service immediately and/or require the Customer to pay all costs correcting any and all unauthorized conditions at the premises. In the event service has been terminated under these circumstances it shall not be restored to the Customer's premises until: (i) the Customer has a certificate of compliance with the provisions of the National Electric Code and the regulations of the National Fire Protection Association has been issued by the municipal inspection bureau or by any Company-accepted inspection agency, (ii) the Customer has complied with all of the Company's requirements and (iii) the Customer pays the Company a reconnection fee and deposit.

In the event that a Customer knowingly and willfully obtained service for itself or for another by creating or reinforcing a false impression, statement or representation and fails to correct the same, the Company shall immediately correct the account information in question and issue an adjustment for all current or previous amounts. The Customer shall be required to show proof of identity and sign an agreement for payment of all electric service received, plus any and all costs and administrative expenses associated with any investigation(s) (i.e., Legal, Accounts/Billing, etc.) which shall be added to their account. The Customer shall have three (3) business days in which to provide proof of identity. The Company may terminate a Customer's electric service if the Customer fails to provide such proof of identity within the aforementioned time period.

(C) Change

GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

(11) Billing Errors

When the Company provides billing for Competitive Energy Supply on behalf of an EGS, the Company shall not be responsible for billing errors resulting from incorrect price information received from an EGS.

11. Payment of Bills

Except as otherwise provided in the Tariff, bills for service shall be rendered monthly based upon the Company's read and billing schedule and are due and payable by the Customer to the Company upon presentation by the Company for service furnished during the preceding period.

Remittances mailed by the Customer for the amount(s) due shall be accepted by the Company as tendered within the period to avoid late payment charges if such payment is received by the Company no more than five (5) days after the due date of the bill.

These provisions shall also apply, as appropriate, to Customers receiving Consolidated Billing. However, it is limited to the Basic services portion of the consolidated bill. Basic services shall have the meaning as defined in 52 Pa. Code § 54.2. The applicability of this section is also subject to consumer protections ordered by the Commission.

a. Due Dates

For Residential Customers, bills are due and payable to the Company on or before twenty (20) days from the date of mailing of the bill to said Customer. Non-Residential Customers' bills are due and payable to the Company on or before fifteen (15) days from the date the bill is mailed to said Customer.

Upon the request of a Residential Customer sixty (60) years of age or older or a Residential Customer receiving Social Security or an equivalent monthly pension payment, the Company may extend the due date of such Customer's bill from twenty (20) days to thirty (30) days upon such verification of the Customer's eligibility for payments as the Company deems reasonably necessary.

The following shall be allowed thirty (30) days for payment of their bills at net rates (i) local governmental bodies (including school districts), (ii) the Commonwealth of Pennsylvania, and (iii) agencies of the Federal Government.

GENERAL RULES AND REGULATIONS

Rule 11 – Payment of Bills (continued)

A Customer's failure to receive a bill shall not be construed or deemed, under any circumstances, to be a waiver of any of the provisions of this Tariff. A Customer's bill shall be overdue when not paid on or before the due date indicated in the bill.

b. Late Payment Charges

Late payment charges shall be applied to Default Service Charges, EGS charges that are subject to the Company's POR and Delivery Service Charges. The Company will apply late payment charges to EGS charges that are not subject to the Company's POR at the EGS's request when it is performing billing services for the EGS.

A Residential Customer's overdue bill shall be subject to a late payment charge of 1.5% interest per month on the overdue balance of the bill. A Non-Residential Customer's overdue bill shall be subject to a late payment charge of 2.0% interest per month on the overdue balance of the bill. Interest charges shall be calculated by the Company on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. At the Company's option, the interest per month associated with the late payment charge for Residential Customers may be reduced or eliminated in order to facilitate payment of bills under dispute. (I)

c. Allocation of Payments

All payments made by or on behalf of a Customer shall be applied to a Customer's account in accordance with the Commission's payment posting rules and applicable Regulations including the Company's Electric Generation Supplier Coordination Tariff on file with the Commission.

d. Delinquent Accounts

A Customer's account is delinquent when not paid in full by the due date stated on the bill or otherwise agreed upon by the Customer and the Company. The Company shall pursue collections of outstanding residential delinquent account balances in accordance with applicable law and Commission regulations. Termination of service will occur only for non-payment of undisputed delinquent accounts associated with the Company's regulated charges, which shall include EGS charges subject to the Company's POR.

The Company will have the ability to terminate service to a Customer for the Customer's non-payment of EGS Basic Electric Supply charges incurred after January 1, 2011 in the same manner and to the same extent that the Company could terminate service to such a Customer for non-payment of EDC charges. Residential Customer's termination will be subject to the consumer protections included in Chapter 14 of the Public Utility Code, 66 Pa. C.S. §1401, et. seq., and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time. The POR is only available as long as the Company is able to terminate service to Customers under Chapter 14 of the Public Utility Code 66 Pa. C.S. §1401, et. seq., and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time.

(I) Increase

GENERAL RULES AND REGULATIONS

Rule 11 – Payment of Bills (continued)

In the case of non-payment of a Customer's undisputed delinquent account applicable to the Company's charges, the Company may terminate its electric service and remove its equipment in accordance with applicable law and Commission regulations. The Company shall condition restoration of service on payment of EGS charges subject to the Company's POR.

A Residential Customer who has elected to receive Combined Billing for metered Residential Service and Outdoor Lighting Service shall be subject to 52 Pa. Code, Chapter 56 of the Commission's regulations and be treated as a single residential account.

e. Winter Termination – Determining Income Eligibility for Winter Termination

To determine if a Customer exceeds the 250% federal poverty level threshold, the Company will utilize financial information provided by the Customer. The Company may elect to send to the Customer an income verification form for completion and return.

12. Administrative Charges**a. Reconnect Charges**

A Residential Customer who requests a disconnection and reconnection of service at the same location within a twelve (12) month period shall pay the Company a reconnect charge equivalent to the monthly minimum charge stated in the Customer's applicable Rate Schedule or other Tariff provision multiplied by the number of months between the disconnect and reconnect period, or the minimum reconnect charge stated in this Rule 12a, whichever is greater.

GENERAL RULES AND REGULATIONS**Rule 12 – Administrative Charges (continued)**

Every Residential Customer that requests a connection or a reconnection shall pay the Company a fee of Thirty Dollars (\$30.00).

Every Non-Residential Customer shall pay the Company a reconnection fee/charge that is the higher of (i) the Residential Customer reconnect fees/charges specified in this Rule 12 or (ii) the Company's actual cost for reconnection of that particular Non-Residential Customer.

13. Determination of Demand

A Customer's active and/or reactive demand (if applicable) shall be measured by a meter acceptable to the Company registering the rate of use of energy and reactive energy during a specified time interval during each billing period. If, for any reason, the Company is unable to supply the Customer kilowatt or kilovar meters, the Company may, at its option, determine the Customer's use by means of periodic kilowatt or kilovar tests or estimates.

INDIVIDUALIZED SERVICES**14. Individualized Contracts**

The Company, at its sole discretion, may enter into an Individualized Contract with a Non-Residential Applicant/Customer. If requested by the Company, the Non-Residential Applicant/Customer shall provide to the Company, or at the Company's option, to an agent representing the Company, all information and records necessary to evaluate the request for an Individualized Contract. All costs billed by the agent to the Company shall be paid by and the responsibility of the Non-Residential Applicant/Customer.

GENERAL RULES AND REGULATIONS

Rule 14 – Individualized Contracts (continued)

The terms and conditions of Delivery Service in each Individualized Contract shall be as mutually agreed upon between the Company and the Non-Residential Applicant/Customer. When fully executed, the Company may, in its sole discretion, request Commission approval thereof. The effective date of an Individualized Contract, filed with the Commission, shall be no less than ninety (90) days after the date of its filing with the Commission. The rates for each Individualized Contract shall be (i) established mutually by the Company and Non-Residential Applicant/Customer on a case by case basis and (ii) designed to recover at a minimum all of the Company's appropriate incremental costs of the service and a contribution to its fixed costs.

The Individualized Contract shall contain all service terms and conditions and the rates and charges to be paid for service rendered.

The Company may require the Non-Residential Applicant/Customer to provide the Company or its agent with a recent energy audit of the Non-Residential Applicant's/Customer's facilities and a list of all energy conservation and load management activities which have occurred in the past five (5) years, along with a list of all ongoing energy conservation and load management activities or proposed activities.

The Individualized Contract may be terminated by the Company if an eligible Non-Residential Customer's bills are not paid when due as specified in this Tariff.

In the event that any Individualized Contract is terminated by the Company or Non-Residential Applicant/Customer under the conditions specified in the contract, the Non-Residential Applicant/Customer shall subsequently be eligible for service under the standard Tariff Rate Schedule for which it qualifies.

The Company may modify or discontinue the provisions of this Rule 14 at any time, subject to any orders of the Commission. Unless otherwise ordered by the Commission, any Individualized Contracts in effect prior to any such modification or discontinuance of this Rule 14 shall remain in effect under the term and conditions specified in the applicable contract.

GENERAL RULES AND REGULATIONS

Rule 14 – Individualized Contracts (continued)

All applicable riders are chargeable to a Customer with an Individualized Contract and will be calculated and billed to the Customer using the same formula that would otherwise be applied under the Customer's applicable standard tariff rate schedule.

15. Company Facilities, Services and Products

The Company may furnish, at its sole discretion and upon an Applicant's/Customer's request, special, substitute, emergency repairs or additional facilities, services or products to such Applicant/Customer. When the Company provides facilities, services or products not normally supplied to an Applicant/Customer, or when the estimated or actual cost of such individualized, substitute, or additional facilities, services or products exceeds the estimated costs of the standard facilities, services or products that normally would be supplied by the Company without special charge, the Company may require the Applicant/Customer to enter into special agreement(s) ("Specialized Contracts") and may establish minimum charges and facilities charges. The Company may offer to Customers additional services or products that may be applicable to more than one Customer. At a minimum, charges under this Rule 15 shall be established by the Company on a case by case basis and shall be sufficient to recover all of its appropriate incremental costs of the service and a contribution to its fixed costs.

The Company may modify or discontinue the provisions of this Rule 15 at any time, subject to any Commission orders. Unless otherwise ordered by the Commission, any Specialized Contracts in effect prior to any such modification or discontinuance of this Rule 15 shall remain in effect under the term and conditions specified in the contract.

GENERAL RULES AND REGULATIONS

16. Auxiliary Power Sources and Readiness to Serve

Service to a Customer, any part of whose electric requirements are provided by other than Company-owned facilities, and where the Company supply can be substituted for that of the Customer, will be supplied only under the provisions of this rule.

The maximum demand in kilowatt and power factor which the Company is obligated to supply shall be determined by agreement between the Customer and the Company.

In case the maximum demand in kilovolt-amperes which the Company is obligated to supply is less than the Customer's maximum demand as estimated by the Company, the Company may require the Customer to limit his demand to the load which the Company is obligated to supply by means of a load limiter to be furnished, installed, and maintained by the Customer, approved, set, and sealed by the Company.

The Customer shall not at any instant operate any source of supply in parallel with the Company's service without written permission from the Company.

Monthly billing will be under the provisions of the rates in conjunction with which this rule is employed.

The Customer shall reimburse the Company for all loss or damage sustained by the Company as a result of the Customer's use of the Company's service under the provisions of this rule.

17. Interconnection, Safety & Reliability Requirements

In order to assure the integrity and safe operation of the Company's system and to permit the continuation of reliable service to other Customers, the following requirements and standards apply to all types of Generating Facilities, including customer owned generation, desiring to interconnect with the Company's system.

GENERAL RULES AND REGULATIONS

Rule 17 – Interconnection, Safety & Reliability Requirements (continued)

All generation operations shall be performed in a safe, reasonable and competent manner in accordance with prudent electric practices in order to, among other things, preserve and protect the Company's electric system.

All Generating Facilities shall submit a written application to the Company for acceptance of interconnected operation of their facilities with the Company's system prior to engaging in such interconnected operations. The Company may require, among other things, the following as part of any application submitted by an Applicant/Customer for service under this Rule 17:

- a. Plans, specifications and location of the proposed installation.
- b. Single line diagrams and details of the proposed protection schemes.
- c. Instruction manuals for all protective components.
- d. Component specifications and internal wiring diagrams of protective components, if not provided in instruction manuals.
- e. Generator data required to analyze fault contributions and load current flows including, but not limited to, equivalent impedances, time constants and harmonic distortions.
- f. The rating of all protective equipment if not provided in instruction manuals.
- g. All such other information that may be required by the Company.

Paralleling Customer generation with the Company's system shall be permitted only upon the written consent of the Company.

GENERAL RULES AND REGULATIONS

EMERGENCY CONDITIONS

18. Load Control

Whenever the demands for electric power on all or part of the Company's system exceed or threaten to exceed the capacity then actually and lawfully available to supply such demands, or whenever system instability or cascading outages could result from actual or expected transmission overloads or other contingencies, or whenever such conditions exist in the system of another public utility or PJM control area with which the Company's system is interconnected and cause a reduction in the capacity available to the Company from that source or threaten the integrity of the Company's system or when communicated by PJM per established policies and standards, a load emergency situation exists. In such case(s), the Company shall take such reasonable steps as the time available permits or as directed by PJM to bring the demands within the then-available capacity or otherwise control load. Such steps shall include, but shall not be limited to, reduction or interruption of service to one or more Customers, in accordance with the Company's procedures for controlling load.

19. Energy Conservation

Whenever events occur which actually result or, in the judgment of the Company or PJM, threaten to result in a restriction of the fuel supplies available to generators that supply energy to the PJM markets, such that the amount of electric energy which the Company is able to supply is or shall be adversely affected, an emergency energy conservation situation exists.

In the event of an emergency energy conservation situation, the Company shall take such reasonable measures as it believes necessary and proper to conserve available fuel supplies. Such measures may include, but shall not be limited to, reduction, interruption, or suspension of electric service to one or more of its Customers or classes of Customers in accordance with the Company's procedures for emergency energy conservation.

GENERAL RULES AND REGULATIONS

MISCELLANEOUS PROVISIONS

20. Discontinuance

The Company may terminate any service provided under this Tariff and remove its equipment on (i) required notice in case of a Customer's non-payment of a delinquent bill or a violation of the provisions of this Tariff or (ii), without notice, in situations which endanger or may endanger the safety of any person or property or may prove harmful to the Company's energy delivery system. Failure by the Company at any time to exercise its rights shall not be deemed a waiver thereof. Termination of service will occur for non-payment of undisputed delinquent bills associated with the Company's regulated charges, which shall include EGS charges subject to the Company's POR.

For Residential Customers, the Company may terminate service under any of the following circumstances (i) unauthorized use of the service delivered on or about the affected dwelling (ii) fraud or material misrepresentation of the Customer's identity for purpose of obtaining service (iii) tampering with the Company's meters or other equipment (iv) violating the Tariff provisions in a manner that endangers the safety of a person or the integrity or operation of the Company's facilities.

Where a Residential Customer has elected to receive Combined Billing for metered Residential Service and Outdoor Lighting Service, both services shall be subject to the Commission's Standards and Billing Practices for Residential Utility Service, 52 Pa. Code, Chapter 56, as a single residential account for all purposes including, but not limited to, discontinuance of service.

The Company may discontinue the supply of service to a particular Customer to the extent (and as may be) required to comply with any governmental rule, regulation, statute, order or directive. Verbal or written orders of police, fire, public health or similar officers, given in the performance of their duties, shall also permit the discontinuance of service under this Rule 20.

The Company may at any other time suspend the supply of electrical energy to any Customer for the purpose of making repairs, changes or improvements on any part of its system. When such suspension is planned in advance, prior notice of the cause and expected duration of the suspension shall be given to the extent practicable to Customers who may be affected.

GENERAL RULES AND REGULATIONS

21. Service Continuity: Limitation on Liability for Service Interruptions and Variations

The Customer, by accepting service from the Company, assumes responsibility for the safety and adequacy of the wiring and equipment installed by the Customer. The Customer agrees to indemnify and save harmless the Company from any liability which may arise as a result of the presence or use of the Company's electric service or property, defects in wiring or devices on the Customer's premises, or the Customer's failure to comply with the National Electrical Code.

The Company does not guarantee a continuous, uninterrupted, or regular supply of electric service. The Company may, without liability, interrupt or limit the supply of electric service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company shall not be liable for any damages due to accident, strike, storm, lightning, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.

In all other circumstances, unless caused by the willful and/or wanton misconduct of the Company, the liability of the Company to Customers or third parties for all injuries and damages, direct or consequential, including damage to computers and other electronic equipment and appliances, or loss of business, profit or production caused by variations or interruptions in electric supply, high or low voltage, spikes, surges, single phasing, phase failure or reversal, stray voltage, neutral to earth voltage, equipment failure or malfunction, response time to electric outages or emergencies, or the non-functioning or malfunctioning of street lights or traffic control signals and devices shall be limited to Five Hundred Dollars (\$500) for residential customers and Two Thousand Dollars (\$2,000) for commercial and industrial customers. In no case shall the Company's aggregate liability for multiple claims arising from a single alleged negligent act, incident, event, or omission exceed Two Hundred Thousand (\$200,000). The Company's actions that are in conformance with electric system design, the National Electrical Safety Code, or electric industry operation practices shall be conclusively deemed not to be negligent. A variety of protective devices and alternate power supply equipment that may prevent or limit such damages are available. Due to the sensitive nature of computers and other electronically controlled equipment, the Customer, especially three-phase Customers, should provide protection against variations in supply.

GENERAL RULES AND REGULATIONS

Rule 21 – Service Continuity: Limitation on Liability for Service (continued)

To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company disclaims and shall not be liable to any Customer or third party for any claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

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

22. Transfer of Electric Generation Supplier

(C)

The Company shall change a Customer's EGS in accordance with 52 Pa. Code Chapter 57, Subchapter M, "Standards for Changing a Customer's Electricity Generation Supplier". Pursuant to the commission's Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, at Docket No. L-2014-2409383, changes in a Customer's EGS shall be effective within three (3) business days after the enrollment request is processed, regardless of whether the meter reading is actual or estimated.

(C) Change

RATE SCHEDULES

RATE RS

RATE SCHEDULES

RATE RS

Availability:

Available for Residential Service using the Company's standard, single phase service, to installations served through one meter for each family unit in a residence or apartment.

When service is used through the same meter for both residential and commercial purposes the General Service rate schedule shall apply.

This rate schedule is not available for commercial, institutional or industrial establishments.

Service:

Alternating current, 60 hertz, single phase, nominal voltage 120/240 or 120/208 as available.

Rate:

The net monthly charge per customer shall be:

Distribution:

\$11.00 per month (Customer Charge), plus	(I)
4.437¢ per kWh for all kWh	(I)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Services Cost
- Rider F – Phase III Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider O – Distribution Service Improvement Charge

(I) Increase

RATE SCHEDULES

Rate RS (continued)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H-Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

Minimum Charge:

The monthly Minimum Charge shall be \$11.00 plus distribution energy charges and any charges related to applicable riders. (I)

Special Monthly Charges Load in Excess of 25 kilowatts:

The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes. (D)

If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of One Dollar and eighty-eight cents (\$1.88) per kW for all kW shall apply to such excess as set forth in this provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months.

(I) Increase
(D) Decrease

RATE SCHEDULES

Rate RS (continued)

Terms of Payment:

As per Rule 11, Payment of Bills

(C)

(C)

(C) Change

RATE SCHEDULES

Rate RS (continued)

Farm Service:

This rate schedule shall also apply for service to a farm for residential purposes and the usual farm uses outside the dwelling unit, but not if the use extends to operations of a commercial nature, such as stores, restaurants, gasoline stations, automobile service stations, repair shops or any other nonfarming operation.

Where a portion of the farm is used in the processing, preparing or distribution of products not raised on that farm, or for a hatchery, dairy, greenhouse or any other specialized operation, unless such operation is incidental to the usual residential and farm uses, the customer may, at his option, provide separate circuits so that the service used in that portion may be metered and billed separately under the applicable schedule. If such separate circuits are not provided, the entire service will be billed under the General Service rate schedule.

Additional dwelling units on the farm shall be metered separately or shall be supplied under the terms of this rate schedule which provide that for multifamily installations the energy blocks shall be multiplied by the number of family units served.

Multiple Metering:

Certain residential usage may be separately metered as a result of legal requirements (e.g. Act 54 of 1993) but not be associated with a family unit (e.g. common furnace in multiple family dwelling). In such instances the usage may be considered as residential service for billing purposes.

Additional residential service that, due to wiring restrictions, requires a separately metered service and is located on the same property as the residential customer's dwelling unit but is not associated with a family unit (e.g. detached garage) may also be considered as residential service for billing purposes.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company

RATE SCHEDULES

RATE GS

GENERAL SERVICE - SMALL

Availability:

Available for service through a single metering installation for secondary light and power service for loads up to 1,500 kWh.

Service:

Alternating current, 60 hertz, standard single phase or three phase three-wire or four-wire secondary service, as available.

Single and three phase service will be metered and billed separately or, where feasible, single and three phase service will be furnished through a single meter installation and billed as one account provided the customer arranges his wiring to facilitate the installation of a single meter.

Where service is furnished at three-phase, the customer shall provide and maintain all equipment required for lighting service.

Rate:

The net monthly charge per Customer shall be:

Distribution:

\$24.89 per month (Customer Charge), plus (I)

3.623 cents per kWh for all kWh (I)

(I) Increase

RATE SCHEDULES

Rate GS (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge (C)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H-Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I-Hourly Pricing Default Service Rider.

Special Rule GSDS:

Customers with a historic billing demand of 500 kW and above and who would otherwise qualify for Rate Schedule GP or GT, but who are on Rate Schedule GS due to the Customer not being under contract, will be placed on the Hourly Pricing Default Service Rider.

(C) Change

RATE SCHEDULES

Rate GS (continued)

Minimum Charge:

The monthly Minimum Charge shall be \$24.89 plus distribution energy charges and (I)
any charges related to applicable riders.

Terms of Payment:

As per Rule 11, Payment of Bills

(I) Increase

RATE SCHEDULES

Rate GS (continued)

Contract:

Customers taking secondary service on this schedule will require a written application on the Company's standard application form. All others served secondary, primary or transmission voltage and including those requiring extension of distribution facilities, will require a written contract which by its terms shall be in full force thereafter from year to year unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any of said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one year term as specified above will be placed on this rate schedule.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

Special Provision for Fixed Usage:

The Company may, in its sole and exclusive discretion, permit Customers to take service under this Special Provision. For Customers permitted by the Company to take service under this Special Provision, the Company may, in its sole and exclusive discretion, impute a level of energy and demand for that Customer based upon the Customer's projected load and hours of use for that load.

(C)

(C) Change

RATE SCHEDULES

Rate GS (continued)

**Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers,
Non-Profit Rescue Squads and Non-Profit Ambulance Services****Availability:**

Upon application, a Volunteer Fire Company, a Non-Profit Senior Citizen Center, Non-Profit Rescue Squad or Non-Profit Ambulance Service may elect to have electric service rendered, pursuant to the following charges upon execution of a contract for a minimum term of one year.

Definitions:

Volunteer Fire Company Service – a separately metered service location consisting of a building, sirens, a garage for housing vehicular firefighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service at this service location shall be to support the activities of the volunteer fire company. Any fund raising activities at this service location must be used solely to support volunteer firefighting operations. The customer of record at this service location must be a predominantly volunteer fire company recognized by the local municipality or PEMA as a provider of firefighting services.

RATE SCHEDULES

Rate GS (continued)

Non-Profit Senior Citizen Center Service – a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided. The customer of record at this service location must be an organization recognized by the Internal Revenue Service (IRS) as nonprofit and recognized by the Department of Aging as an operator of a senior citizen center.

Non-Profit Rescue Squad Service – any nonprofit chartered corporation, association, or organization located in the Commonwealth of Pennsylvania which (i) is regularly engaged in providing rescue services, (ii) possesses all necessary legal authority in Pennsylvania to perform rescue services and (iii) provides such services from a building or other structure located in the Company's service territory that constitutes a separately metered location for electric delivery purposes. The use of the electric service by the Non-Profit Rescue Squad shall be used primarily to support its service. The Company may request and the Customer/Applicant shall provide all documentary and other evidence of its compliance with this provision.

Non-Profit Ambulance Service – any nonprofit chartered corporation, association or organization located in the Commonwealth of Pennsylvania which (i) is regularly engaged in the service of providing emergency medical care and transportation of patients, (ii) possesses all necessary legal authority in Pennsylvania to perform emergency medical care and transportation of patients and (iii) provides such services from a building or other structure located in the Company's

RATE SCHEDULES

Rate GS (continued)

service territory that constitutes a separately metered location for electric delivery purposes. The use of the electric service by the Non-Profit Ambulance Service shall be used primarily to support its service. The Company may request and the Customer/Applicant shall provide all documentary and other evidence of its compliance with this provision.

Rate:

The net monthly charge per Customer shall be:

Distribution:

\$11.00 per month (Customer Charge), plus	(I)
4.437¢ per kWh for all kWh	(I)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Service Cost
- Rider F – Phase III Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider O – Distribution Service Improvement Charge

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

(I) Increase

RATE SCHEDULES

Rate GS (continued)

Minimum Charge:

The monthly Minimum Charge shall be \$11.00 plus distribution energy charges and any charges related to applicable riders. (I)

Special Monthly Charges Load in Excess of 25 kilowatts:

The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes.

If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of One Dollar and eighty-eight cents (\$1.88) per kW for all kW shall apply to such excess as set forth in this Provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months. (D)

Terms of Payment:

Same as listed previously in this schedule.

(I) Increase
(D) Decrease

RATE SCHEDULES

RATE GM

GENERAL SERVICE - MEDIUM

Availability:

Available for secondary light and power service for loads of up to 400 kW. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

If an existing Customer's total consumption is less than 1,500 kWh per month for twelve (12) consecutive months, the Customer may no longer be eligible for service under this Rate Schedule GM-Medium. Based upon the Company's then estimate of the Customer's usage, the Customer shall be placed on Rate Schedule GS or such other Rate Schedule for which such Customer most qualifies. (C)

If an existing Customer's billing demand exceeds 400 kW for two (2) consecutive months in the most recent twelve-month period, then the Customer may no longer be eligible for service under this Rate Schedule GM and shall be placed on Rate Schedule GS-Large or such other Rate Schedule for which such Customer most qualifies.

All of the following general monthly charges are applicable to Delivery Service

Rate:

The net monthly charge per customer shall be:

Distribution:

\$26.87 per month (Customer Charge), plus

Demand

\$3.40 per kW for all billing demand as measured in kW

\$0.20 for each rkVA of Reactive Billing Demand

(C) Change

RATE SCHEDULES

Rate GM (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge (C)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I – Hourly Pricing Default Service Rider.

(C) Change

RATE SCHEDULES

Rate GM (continued)

Primary and Transmission Service Discount:

No service voltage discounts are available on this rate schedule.

Minimum Charge:

No bill shall be rendered by the Company for less than,

\$26.87 per month, plus

(I)

The demand charge at current rate levels times the Billing Demand, plus any distribution energy charges and any charges stated in or calculated by any applicable rider.

Determination of Billing Load:

(C)

A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, as stated herein, (iii) contract demand, or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

Reactive Billing Demand:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula: $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

(I) Increase

(C) Change

RATE SCHEDULES

Rate GM (continued)

Terms of Payment:

As per Rule 11, Payment of Bills

(C)

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

(C) Change

RATE SCHEDULES

RATE GS-LARGE
GENERAL SERVICE SECONDARY**Availability:**

(C)

This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 kW in two (2) consecutive months in the most recent twelve-month period, Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers.

GENERAL MONTHLY CHARGES

Distribution Charge:

\$130.07 per month (Customer Charge), plus	(I)
\$4.36 per kW for all billed kW	(I)
\$0.20 for each rkVA of reactive billing demand	

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase III Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider O – Distribution Service Improvement Charge

(C) Change
(I) Increase

RATE SCHEDULES

Rate GS - Large (continued)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H-Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I-Hourly Pricing Default Service Rider.

Minimum Charge:

No bill shall be rendered by the Company for less than,

\$130.07 per month, plus (I)

The demand charge at current rate levels for the highest kilowatt demand billed during the current and preceding eleven (11) months, plus distribution energy charges, and any charges stated in or calculated by any applicable rider.

Determination of Billing Demand:

(C)
A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, as stated herein, (iii) contract demand, or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

Reactive Billing Demand:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula: $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

(C) Change

(I) Increase

RATE SCHEDULES

Rate GS- Large (continued)

Terms of Payment:

As per Rule 11, Payment of Bills

Special Provision:

For those Customers that were previously on the Optional Controlled Service Rider prior to June 20, 1996 shall be allowed to combine their separate meter readings that were in place under the Optional Controlled Service Rider into one single meter reading for billing purposes.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

RATE SCHEDULES

RATE GP

GENERAL SERVICE – PRIMARY

Availability:

Available for primary light and power service. The billing load as hereinafter defined shall not be less than 25 kW.

Service:

Alternating current, 60 hertz, three phase, at nominal primary voltages as available from suitable facilities of adequate capacity adjacent to the premises to be served, and as determined by the Company.

The Customer shall have the responsibility for ownership, operation, and maintenance of all transforming, controlling, regulating, and protective equipment.

Rate:

The net monthly charge per Customer shall be:

Distribution:

\$114.35 per month (Customer Charge), plus (I)

\$4.34 per kW for all billed kW (I)

\$0.20 for each rkVA of Reactive Billing Demand

(I) Increase

RATE SCHEDULES

Rate GP (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge

Default Service Charges:

For Customers receiving Default Service from the Company, Rider I – Hourly Pricing Service Default Service Rider rate applies.

Minimum Charge:

No bill shall be rendered by the Company for less than:

\$114.35 per month, plus demand charges at current rate levels times the Billing Demand, (I)
plus any distribution energy charges, and any charges stated in or calculated by any applicable rider.

(I) Increase

RATE SCHEDULES

Rate GP (continued)

Riders:

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

Determination of Billing Demand:

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over fifteen (15)-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greatest of: (i) twenty-five (25) kW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, as stated herein, (iv) contract demand, or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

(C)

Reactive Billing Demand:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula: $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

Terms of Payment:

As per Rule 11, Payment of Bills

(C) Change

RATE SCHEDULES

Rate GP (continued)

Contract:

Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 day's notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one year term, as specified above, will be placed on Rate Schedule GS.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

RATE SCHEDULES

RATE GT

GENERAL SERVICE - TRANSMISSION

Availability:

Available for transmission light and power service furnished through one meter for each installation. The minimum billing demand shall be 200 kW.

Service:

Alternating current, 60 hertz three phase, at nominal transmission voltages of 23,000 volts or above from suitable facilities of adequate capacity as may be available adjacent to the premises to be served and as determined by the Company.

The Customer shall have the responsibility for ownership, operation, and maintenance of all transforming, controlling, regulating, and protective equipment.

The Company reserves the right to install the metering equipment on either the primary or secondary side of the customer's transformers, and when installed on the secondary side, compensating metering equipment will be used to correct for transformer losses.

Rate:

The net monthly charge per customer shall be:

Distribution:

\$324.29 per month (Customer Charge), plus (I)

\$0.54 per kW for all billed kW (I)

\$0.20 for each rkVA of reactive billing demand

(I) Increase

RATE SCHEDULES

Rate GT (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge (C)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider I – Hourly Pricing Service Default Service Rider rate applies.

(C) Change

RATE SCHEDULES

Rate GT (continued)

Discount:

A. VOLTAGE DISCOUNT – 115 KV OR GREATER:

If the Company, in its sole discretion, elects to serve a Customer at 115 KV or greater, the demand charge shall be decreased as set forth below:

Credit for:	Demand Dollars/KW	
Distribution	\$0.18	(D)

Determination of Billing Demand:

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over fifteen (15)-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greater of: (i) 200 kW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, as stated herein, (iv) contract demand (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

For purposes of determining the demand for Net Station Power of a Generating Facility under this Rate Schedule, registered demand during any hour cannot be netted, offset or credited against capacity from that Generating Facility in any other hour or from registered capacity from any other Generating Facility in any other hour.

Reactive Billing Demand:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula: $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

(D) Decrease
(C) Change

RATE SCHEDULES

Rate GT (continued)

Minimum Charge:

No bill shall be rendered by the Company for less than,

\$324.29 per month, plus

(I)

the demand charges at current rate levels times the Billing Demand, plus any charges stated in or calculated by any applicable Riders.

Terms of Payment:

As per Rule 11, Payment of Bills

Station Power Energy Netting:

If applicable PJM rules and procedures for determining Net Station Power are in effect, all Net Station Power shall be determined solely by PJM and provided to the Company for billing purposes under this Rate Schedule. If the Applicant self-supplies Net Station Power, the Applicant shall be responsible for obtaining all related transmission service. If no such applicable PJM rules and procedures for determining Net Station Power are in effect or PJM is unable for any reason to determine Net Station Power, the Company shall determine Net Station Power for any relevant period in its sole discretion.

Contract:

Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one year term, as specified above, will be placed on Rate Schedule GS.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service

(I) Increase

RATE SCHEDULES

RATE PLS
PRIVATE OUTDOOR LIGHTING SERVICE**Availability:**

Available for all-night outdoor lighting service to any Customer on the lines of the Company where such service can be supplied by the installation of lighting fixtures supplied directly from (1) existing secondary circuits or (2) an extension of existing secondary circuit that requires only one additional span of secondary circuit and does not require any other facilities or expenses (e.g. new pole, pole changeout, or guying).

Service:

Complete lighting service will be furnished by the Company using vapor lamps installed in standard fixtures. All equipment will be installed and maintained by the Company.

Rate:**Overhead and Post-Top (PT) Lighting Service:**

The charges listed below for lights not designated as PT are for each light with luminaire and bracket arm, supplied from an existing pole and secondary facilities.

The charges listed below for lights designated as PT are for each lamp with post-top luminaire mounted on a 14'-16' post installed 4' in the ground, where service is supplied from existing secondary, including 50 feet of circuit installed in a trench provided by the customer.

Distribution Charge:

<u>Rating in Watts</u>	<u>Type</u>	<u>Nominal Lumens</u>	<u>Average Monthly kWh</u>	<u>Distribution</u>	
175	Mercury Vapor	7,500	70	\$ 14.58	(I)
175	Mercury Vapor - PT	7,500	70	26.52	(I)
400	Mercury Vapor	22,000	156	12.54	(I)
70	Sodium Vapor	5,800	32	18.19	(I)
100	Sodium Vapor - PT	9,500	46	27.88	(I)
100	Sodium Vapor	9,500	46	18.30	(I)
150	Sodium Vapor	16,000	66	17.63	(I)
250	Sodium Vapor	27,500	98	18.49	(I)
400	Sodium Vapor	50,000	156	18.32	(I)
250	Metal Halide	23,000	98	22.82	(I)
400	Metal Halide	40,000	156	19.48	(I)
1,000	Metal Halide	110,000	364	8.32	(I)

(I) Increase

RATE SCHEDULES

Rate PLS (continued)

When service cannot be supplied from facilities included above and additional facilities are required, the customer will in addition to the above charges pay the following distribution charge for each pole:

For each 30' or 35' pole, per month	\$11.07	(I)
For each 40' pole, per month	\$12.88	(I)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge
Rider F – Phase III Energy Efficiency and Conservation Charge
Rider J – Default Service Support Charge
Rider N – Solar Photovoltaic Requirements Charge
Rider O – Distribution System Improvement Charge

Default Service Charges:

The Default Service Charges shall be determined using the applicable Average Monthly kWh usage, from the preceding chart, multiplied by the Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate.

(I) Increase

Issued: January 25, 2017

Effective: January 27, 2017

RATE SCHEDULES

Rate Schedule PLS (continued)

Terms of Payment:

The net amount billed is due and payable within a period of twenty days for residential type service and fifteen days for commercial type service. If the net amount is not paid on or before the date shown on the bill for payment of net amount, the bill shall bear interest at the rate of 2% per month of the unpaid net balance. This service shall be separately billed, or at the Company's option, billing for it shall be added as a separate item to the customer's bill for other service or services. Failure to pay for one service shall not be treated as failure to pay for the other service or services for any purpose.

Contract:

Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a period of three years and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any of said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued.

Terms and Conditions:

The customer shall provide cleared rights-of-way, including easements as may be required by the Company and the customer shall be responsible for any permits which may be required in order for the Company to supply the lighting service.

All lamps shall burn from dusk to dawn, every night, burning approximately 4,070 hours per year.

Maintenance will be performed during regularly scheduled working hours and the Company will endeavor to replace burned-out lamps within 48 hours after notification.

The Company shall replace glass globes and other glass covers twice in a twelve-month period at no additional cost. With repeated vandalism, the Company, at its option, will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges.

RATE SCHEDULES

Rate PLS (continued)

No reduction in bill shall be allowed for lamp outages.

Additional facilities, not provided for herein, that must be installed by the Company, at the customer's request, shall be and remain the property of the Company but shall be paid for by the customer on the basis of an estimate prepared by the Company.

The rates contained herein are for continuous use of the facilities and are not applicable to seasonal usage.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

RATE SCHEDULES

RATE SV

STREET LIGHTING SERVICE
HIGH PRESSURE SODIUM VAPOR**Availability:**

Available to municipalities and other governmental agencies for lighting public streets, highways, bridges, parking lots, parks, and similar public places.

Service:

Company will furnish, install, operate, and maintain its standard HPS street light units consisting of lamps, luminaires, controls, brackets, and ballasts utilizing the Company's wood, metal or steel poles and overhead and underground distribution facilities that exist along public thoroughfares. Exceptions are as noted under Special Terms and Conditions. Lighting units will operate from sunset until sunrise, each night of the year, approximately 4,070 hours of annual operation.

Rate:**Distribution Charge:**

<u>Rating in Watts</u>	<u>Nominal Lumens</u>	<u>Average Monthly kWh</u>	<u>Distribution</u>	
70	5,800	32	\$9.87	(D)
100	9,500	46	\$8.59	(D)
150	16,000	66	\$8.72	(D)
250	27,500	98	\$10.19	(D)
400	50,000	156	\$10.49	(D)

(D) Decrease

RATE SCHEDULES

Rate SV (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge (C)

Default Service Charges:

The Default Service Charges shall be determined using the applicable Average Monthly kWh usage, from the preceding chart, multiplied by the Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate.

Special Terms and Conditions:**Additional Facilities:**

When the customer requests service that requires additional facilities, such as wood, metal or ornamental poles not presently considered a part of the Company's existing overhead or underground distribution system, the customer shall bear these additional costs. The customer shall also bear the cost of rearranging or extending the existing facilities necessary to serve additional lights or to obtain the required mounting height. All necessary street lighting facilities are supplied, installed, owned, operated, and maintained by the Company and are connected to the Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by the Company at the time service is contracted. The Company will install the street lights as requested upon payment by the customer of the aforementioned excess costs. The customer may elect to pay monthly minimum charges for a period not to exceed 60 months based on the estimated construction cost of such additional facilities.

(C) Change

RATE SCHEDULES

Rate SV (continued)

Replacements:

If the customer requests the Company to remove the present street light system to install high pressure sodium vapor lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system. If the customer terminates his present street lighting service within twelve months of requesting service under this schedule, the above condition of service remains in effect. However, in the case where the lights have been in place longer than ten years, and the customer replaces a portion of the existing mercury vapor system with sodium vapor and further requests that the removed mercury vapor lights replace a portion of the existing incandescent lights, the Company will assume these costs provided that there is remaining value in the mercury vapor lights, i.e., not fully depreciated. If the customer chooses, or is unable, to replace existing incandescent lights with the replaced mercury vapor lights, the customer shall pay the remaining life value of the removed mercury vapor lights including poles and hardware.

(C)

If the customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system.

Terms of Payment:

The net amount billed is due and payable within a period of thirty days. If the net amount is not paid on or before the date shown on the bill for payment of net amount, the bill shall bear interest at the rate of 2% per month of the unpaid net balance.

Contract:

Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a period of ten years and shall continue in force thereafter for five-year periods unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any of said five-year period that the contract shall be terminated at the expiration date of said five-year period. When a contract is terminated in the manner provided herein, the service will be discontinued.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

(C) Change

RATE SCHEDULES

RATE SVD

STREET LIGHTING SERVICE; HIGH PRESSURE SODIUM VAPOR; DIVIDED OWNERSHIP

Availability:

Available to municipalities and other governmental agencies for lighting public streets, highways, bridges, parking lots, parks and similar public places.

Service:

The Company will furnish energy and maintenance only to those HPS street light units that are listed in the Company's approved material standards. Maintenance shall include lamp replacement, photo-cell replacement, and scheduled cleaning. Lighting units will operate from sunset to sunrise, each night of the year, approximately 4,070 hours of annual operation.

Rate:**Distribution Charge:**

<u>Rating in Watts</u>	<u>Nominal Lumens</u>	<u>Average Monthly kWh</u>	<u>Distribution</u>	
70	5,800	32	\$4.33	(D)
100	9,500	46	\$4.31	(D)
150	16,000	66	\$5.36	(I)
250	27,500	98	\$5.86	(I)
400	50,000	156	\$3.37	(D)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge
 Rider F – Phase III Energy Efficiency and Conservation Charge
 Rider J – Default Service Support Charge
 Rider N – Solar Photovoltaic Requirements Charge
 Rider O – Distribution Service Improvement Charge

(D) Decrease

(I) Increase

RATE SCHEDULES

Rate SVD (continued)

Default Service Charges:

The Default Service Charges shall be determined using the applicable Average Monthly kWh usage, from the preceding chart, multiplied by the Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate.

Terms and Conditions:**General Conditions:**

When the customer requests service under this schedule, the Company will install the luminaire, lamp mastarm, photocell, and fuse as provided by the governmental agency with payment for material and estimated installation costs in advance of construction. The Company will connect the street lights to the circuit and provide maintenance as noted above. The governmental agency shall be responsible for all costs associated with the vandalism of the fixture and repair, removal or replacement of luminaires. These costs shall be billed to the governmental agency at actual costs.

Additional Facilities:

When the customer requests service that requires additional facilities, such as wood, metal or ornamental poles not presently considered a part of the Company's existing overhead or underground distribution system, the customer shall bear these additional costs. The customer shall also bear the cost of rearranging or extending the existing facilities necessary to serve additional lights or to obtain the required mounting height. All necessary street lighting facilities are provided by the customer for installation by the Company with payment in advance of construction. The customer shall be responsible for the expense of maintaining the street light equipment except for maintenance to be provided by the Company as noted above.

RATE SCHEDULES

Rate SVD (continued)

Replacements:

If the customer requests the Company to remove the present street light system to install high pressure sodium vapor lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system. If the customer terminates his present street lighting service within twelve months of requesting service under this schedule, the above condition of service remains in effect. However, in the case where the lights have been in place longer than ten years, and the customer replaces a portion of the existing mercury vapor system with sodium vapor and further requests that the removed mercury vapor lights replace a portion of the existing incandescent lights, the Company will assume these costs provided that there is remaining value in the mercury vapor lights, i.e., not fully depreciated. If the customer chooses, or is unable, to replace existing incandescent lights with the replaced mercury vapor lights, the customer shall pay the remaining life value of the removed mercury vapor lights including poles and hardware.

(C)

If the customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system.

Terms of Payment:

The net amount billed is due and payable within a period of thirty days. If the net amount is not paid on or before the date shown on the bill for payment of net amount, the bill shall bear interest at the rate of 2% per month of the unpaid net balance.

Contract:

Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a period of ten years and shall continue in force thereafter for five-year periods unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any of said five-year period that the contract shall be terminated at the expiration date of said five-year period. When a contract is terminated in the manner provided herein, the service will be discontinued.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

(C) Change

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RATE SCHEDULES

RATE LED
STREET LIGHTING SERVICE**Availability:**

This Service is applicable to Company owned overhead or underground Light Emitting Diode (LED) street lighting service to municipal, local, state and federal governmental bodies, community associations and to public authorities for lighting of streets, highways, parks and similar places for the safety and convenience of the public.

(C)

A minimum installation of 12 LED lights per customer per individual order is required when replacing existing lighting. This restriction does not apply to new installations.

General Monthly Charges:**Demand and Energy Charges for Common Lamp Sizes:**

Charges Per Month Per Light:

Cobra Head

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$ 7.32	(I)
90	32	\$ 8.78	(I)
130	46	\$ 9.78	(I)
260	91	\$15.12	(I)

Colonial

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$11.72	(I)
90	32	\$12.87	(I)

Acorn

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$19.46	(I)
90	32	\$20.57	(I)

(C) Change
(I) Increase

RATE SCHEDULES

Rate LED (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge (C)

Default Service Charges:

For customers taking default service, the Price to Compare Default Service Charge shall be determined using the applicable Monthly kWh usage, from the preceding chart, multiplied by the Rider H-Price to Compare Default Service Rate Rider, Commercial Customer Class rate.

Payment Terms:

As per Rule 11, Payment of Bills.

Term of Contract:

Provision of this Service requires a contract with the Company. The initial term of contract shall be not less than ten (10) years, subject to renewal for successive one (1) year terms, unless other terms shall be provided in the contract. When replacement of existing lighting is requested by the Customer of an existing luminaire during the initial ten (10) year term, the Customer shall pay the cost of removal in addition to an amount representative of the depreciable life of the fixture for the remainder of the term (to be determined by the Company).

General Provisions:

- A. The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of but not limited to lamps, luminaries, brackets, and other supporting materials.
- B. The Company will install lighting fixtures on an approved existing pole. All additional and new lighting equipment, consisting of but not limited to poles, brackets, wiring, transformation, etc., not provided for herein and installed by the Company at the request of the customer shall be the property of the Company and be paid for by the customer prior to the customer taking service.

C) Change

RATE SCHEDULES

Rate LED (continued)

- C. Costs associated with activities related to the replacement, relocation, alteration, repair, or removal of existing street lighting equipment are not included as part of normal maintenance will be the responsibility of the customer. Examples of such activities include, but are not limited to, the replacement of an existing fixture, removal or relocation of a lamp, luminaire, bracket, pole, or installation of a luminaire shield.
- D. All lamps shall be unmetered and will operate from dusk to dawn each and every night, or for approximately 4,200 hours per year.
- E. If a Customer requests an underground system, it will be installed where service is supplied from an existing underground distribution system. Additional cost shall be borne by the Customer.
- F. All service and necessary maintenance will be performed only during regular working hours of the Company.

RATE SCHEDULES

RATE PNP

PUBLIC OR NON-PROFIT ORGANIZATION RATE

Availability:

Certain public or non-profit organizations may receive electric service pursuant to the charges set forth below as part of the Company's Community and Customer Partnership Program (CCPP) rate schedule.

Definition:

Public or Non-Profit Organization – organization which has the authority to tax and has tax exempt status or an organization recognized by the Internal Revenue Service (IRS) as non-profit. Only qualifying organizations that have temporary connections or occasional use of electric service for periods of less than 30 days and where such service is for an event in the public interest and available to the public qualify for this special provision. The 30-day requirement may be waived for public organizations, but in no event shall occasional use extend beyond 12 continuous months.

Service:

Alternating current, 60 hertz, standard single phase or three phase three-wire or four-wire secondary service, as available.

Single and three phase service will be metered and billed separately or, when feasible, single and three phase service will be furnished through a single meter installation and billed as one account provided the customer arranges his wiring to facilitate the installation of a single meter.

Where service is furnished at three-phase, the customer shall provide and maintain all equipment required for lighting service.

Rate:

The net monthly charge per customer shall be:

Distribution:

\$15.56 per month (Customer Charge), plus	(I)
3.440 cents per kWh for all kWh	(I)

(I) Increase

RATE SCHEDULES

RATE PNP (continued)

Riders:

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase III Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider O – Distribution System Improvement Charge

(C)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider H-Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies.

(C) Change

RATE SCHEDULES

RATE PNP (continued)

Minimum Charge:

The monthly Minimum Charge shall be \$15.56 plus distribution energy charges and any related to applicable riders.

(I)

Billing Demand:

A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-peak hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during Off-peak hours, as stated herein, (iii) contract demand or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months.

Terms of Payment:

The net amount is due and payable within 15 days after the date of mailing the bill. If the net amount is not received in full on or before the date shown on the bill for payment of net amount, the gross amount, which is 2% more than the net amount balance, is due and payable. If the normal due date should fall on a Saturday, Sunday, bank holiday or any other day when the offices of the Company which regularly receive payment are not open to the general public, the due date shall be extended to the next business day.

Rules and Regulations:

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service.

(I) Increase

RIDERS

RIDER A

TAX ADJUSTMENT SURCHARGE RIDER

After the addition of the charges provided in other applicable Riders, a Tax Adjustment Surcharge of 0.00% shall be applied effective for service rendered on and after May 3, 2015 in addition to all other billings calculated under the provisions of this Tariff.

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

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

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

RIDERS

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RIDERS

RIDER C

UNIVERSAL SERVICE COST RIDER

Universal Service Charge (“USC”) shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under residential retail rate schedules under this Tariff, determined to the nearest one-thousandth of a cent per kilowatt-hour. The USC shall be non-bypassable.

For service rendered, January 1, 2017 through December 31, 2017 the USC shall be equal to 0.475 cents per kWh for all kWh. The USC shall be included in the distribution charges of the monthly bill. (C) (I)

The USC shall be calculated in accordance with the formula set forth below:

$$USC = [(USC/S_{Res}) - (E/S_{Res})] \times [1/(1-T)]$$

Where:

USC = The charge in mills per kilowatt-hour to be applied to each kilowatt-hour delivered to all Customers served under residential retail rate schedules under this Tariff.

USC = Universal Service Program Costs, which are the estimated direct, indirect and administrative costs to be incurred by the Company to provide Universal Service to Customers for the USC Computational Year for the following programs (“Universal Service Programs”):

- Customer Assistance and Referral for Evaluation of Services (“CARES”) Program
- Customer Assistance Program (“CAP”)
- Fuel Fund Administration
- Gatekeeper Program
- WARM (formerly LIURP) Program
- Any other replacement or Commission-mandated Universal Service Programs.

S_{Res} = The Company’s projected retail kilowatt-hour sales for the projected USC billing period for Customers served under residential retail rate schedules under this Tariff.

(C) Change

(I) Increase

RIDERS

Rider C (continued)

E = The over or under-collection of Universal Service Program costs that result from the billing of the USC during the USC Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly as provided for in 41 P.S. § 202, the legal statutory interest rate, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Customers.

(C)
In the event that the average annual CAP participation in the preceding USC reconciliation Year exceeded 5,000 participants, actual costs recovered through Penn Power's USC Rider shall reflect CAP Credits and actual Pre-Program Arrearage Forgiveness Credits for all customers up to the 5,000 participation level. The Company shall offset the average annual CAP Credits and Pre-Program Arrearage Forgiveness Credits by 14.3% per participant for the preceding USC Reconciliation Year for any and all CAP customers exceeding the 5,000 participation level.

T = The Pennsylvania gross receipts rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definition of Terms section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. USC Computational Year – the 12 month period from January 1 through December 31 of each calendar year.
2. USC Reconciliation Year – the period from November 1 through October 31 immediately preceding the USC Computational Year.

The USC shall be filed with the Commission by December 1 of each year. The USC shall become effective the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that the USC rates, if left unchanged, would result in material over or under-collection of all Universal Service Program Costs incurred or expected to be incurred during the current 12-month period ending December 31, the Company may request the Commission for interim revisions to the USC to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file a report of collections under the USC within forty-five (45) days following the conclusion of each Computational Year quarter.

The USC shall be subject to review and audit by the Commission.

(C) Change

RIDERS

RIDER D
NET METERING RIDER**Purpose:**

This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned generation using a net metering system.

Applicability:

This Rider applies to renewable customer-generators served under Rate Schedules RS, GS, GM, GS-Large, GP and GT who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources pursuant to Alternative Energy Portfolio Standards Act No. 2004-213 (Act 213) or Commission regulations and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity. A renewable customer-generator is a non-utility owner or operator of a net metered generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service (Rate RS) or not larger than 3,000 kilowatts at other customer service locations (Rate GS, GM, GS-Large, GP, and GT), except for Customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the Company during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the purpose of maintaining critical infrastructure such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources as defined by Act 213 and Commission Regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations pursuant to Act 213. This Rider is not applicable to Customers served under any Lighting Rate Schedules or any Customers utilizing Partial Service, the Hourly Pricing Default Service Rider or any Customers utilizing Station Power Energy Netting.

RIDERS

Rider D (continued)

Service under this Rider is available upon request to renewable customer-generators on a first come, first served basis so long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, GS, GM, GS-Large, GP, and GT.

1. A customer-generator facility used for net metering shall be equipped with a single bi-directional meter that can measure and record the flow of electricity in both directions at the same rate. A dual meter arrangement may be substituted for a single bi-directional meter at the Company's expense.
2. If the customer-generator's existing electric metering equipment does not meet the requirements under option (1) above, the Company shall install new metering equipment for the customer-generator at the Company's expense. Any subsequent metering equipment change necessitated by the customer-generator shall be paid for by the customer-generator. The customer-generator has the option of utilizing a qualified meter service provider to install metering equipment for the measurement of generation at the customer-generator's expense.

Additional metering equipment for the purpose of qualifying alternative energy credits owned by the customer-generator shall be paid for by the customer-generator. The Company shall take title to the alternative energy credits produced by a customer-generator where the customer-generator has expressly rejected title to the credits. In the event that the Company takes title to the alternative energy credits, the Company will pay for and install the necessary metering equipment to qualify the alternative energy credits. The company shall, prior to taking title to any alternate energy credits, fully inform the customer-generator of the potential value of those credits and options available to the customer-generator for their disposition.

RIDERS

Rider D (continued)

3. Meter aggregation on properties owned or leased and operated by a customer-generator shall be allowed for purposes of net metering. Meter aggregation shall be limited to meters located on properties within two (2) miles of the boundaries of the customer-generator's property. Meter aggregation shall only be available for properties located within the Company's service territory. Physical meter aggregation shall be at the customer-generator's expense. The Company shall provide the necessary equipment to complete physical aggregation. If the customer-generator requests virtual meter aggregation, it shall be provided by the Company at the customer-generator's expense. The customer-generator shall be responsible only for any incremental expense entailed in processing his account on a virtual meter aggregation basis.

Billing Provisions:

The following billing provisions apply to customer-generators in conjunction with service under applicable Rate Schedule RS, GS, GM, GS-Large, GP, and GT.

1. The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer during the billing period at the full retail rate, consistent with Commission regulations. On an annual basis, the Company will compensate the customer-generator for kilowatt-hours received from the customer-generator in excess of the kilowatt hours delivered by Company to the customer-generator during the preceding year at the "full retail value for all energy produced" consistent with Commission regulations. The customer-generator is responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.
2. If the Company supplies more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the appropriate rate schedule shall be applied to the net kilowatt-hours of electricity that the Company supplied. The customer-generator is responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.

RIDERS

Rider D (continued)

3. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the distribution system, then through the remaining meters for the customer-generator's account equally at each meter's designated rate. Virtual meter aggregation is the combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the Company's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. The customer-generators are responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.
4. If a net metering Customer served on Rate GS, GM, GS-Large, GP, or GT generates electricity such that the self-generation results in a 10% or more reduction in the customer's purchase of electricity through the Company's transmission and distribution network for any calendar year when compared to the calendar year immediately prior to the installation of the generation, the net metering Customer shall be responsible for its share of stranded costs to prevent interclass or intraclass cost shifting.

Application:

Customer-generators seeking to receive service under the provisions of this Rider must submit a written application to the Company demonstrating compliance with the Net Metering Rider provisions and quantifying the total rated generating capacity of the customer-generator facility.

RIDERS

Rider D (continued)

Minimum Charge:

The Minimum Charges under Rate Schedule RS, GS, GM, GS-Large, GP, and GT apply for installations under this Rider.

Riders:

Bills rendered by the Company under this Rider shall be subject to charges stated in any other applicable Rider.

RIDERS

RIDER F

PHASE III ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase III EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff. Billing Units are defined as follows:

Residential, Non-profit, Commercial, and
Street Lighting Customer Classes:

Per kWh

Industrial Customer Class:

Per kW PLC

Residential, Non-profit, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase III EE&C-C rates shall be calculated separately for each Customer Class according to the provisions of this rider.

For service rendered June 1, 2017 through May 31, 2018 the Phase III EE&C-C rates billed by Customer Class are as follows: (C)

Residential Customer Class (Rate RS):

0.132 cents per kWh. (D)

Non-profit Customer Class (Rate GS – Volunteer Fire Company, and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate and Rate PNP):

(0.174) cents per kWh. (D)

Commercial Customer Class (Rate GS, GS Special Rider GSDS, Rate GM, Rate GS-Large and PLS):

0.055 cents per kWh. (I)

Street Lighting Customer Class (Rate Schedules SV, SVD, SM and LED):

3.699 cents per kWh. (I)

Industrial Customer Class (Rate GP, and Rate GT):

\$ 0.37 per kW PLC. (I)

(C) Change
(D) Decrease
(I) Increase

RIDERS

Rider F (continued)

The Phase III EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EEC-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3}$$

Where:

EEC-C = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.

EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the EE&C-C Computational Period calculated in accordance with the formula shown above.

EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific EE&C Programs as approved by the Commission for the Phase III EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase III EE&C Programs for the Phase III EE&C-C Computational Period. Such costs shall be allocated to each Customer Class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

EEC_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2016 in connection with the development of the Company's Phase III EE&C Programs in response to the Commission's orders and guidance at Docket Nos. M-2012-2289411 and M-2008-2069887. These costs to design, create, and obtain Commission approval for the Company's Phase III EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase III EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each Customer Class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

(C) Change

RIDERS

Rider F (continued)

EEC_{Exp3} =	An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase III EE&C Programs costs. Such costs shall be allocated to each Customer Class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
E =	The cumulative over or under-collection of Phase III EE&C costs by Customer Class that results from the billing of the Phase III EE&C-C rates (an over-collection is denoted by a positive E and an under-collection by a negative E).
E^2 =	Phase II EE&C final reconciliation over or under-collection of EEC costs by customer class that results from the billing of the Phase II EEC-C rates through March 31, 2016 (an over-collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2016; expenses to finalize any contracts; other Phase II administrative obligations; and any remaining Phase II EE&C revenues after March 31, 2016.
S =	The Company's projected Billing Units (kWh sales delivered to all Customers in the specific Customer Class or kW PLC demand for the Industrial Customer Class).
T =	The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For the purpose of this Rider, the following additional definitions shall apply:

(C) Change

RIDERS

Rider F (continued)

1. Phase III EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase III EE&C-C Initial Reconciliation Period – June 1, 2016 through March 31, 2017 for the initial period of the rider.
3. Phase III EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2016. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2017 Phase III EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2017: (1) a reconciliation between actual Phase III EE&C-C revenues and actual Phase III EE&C-C costs for the Phase III EE&C-C Reconciliation Period, except for the Phase III EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase III EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase III EE&C program cost estimate for the forthcoming Phase III EE&C-C Computational Period by customer class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by customer class that results from the billing of the Phase III EEC-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2021.

Upon determination that the Phase III EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by Customer Class, the Company may request that the Commission approve one or more interim revisions to the Phase III EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

(C) Change

RIDERS

Rider F (continued)

The Company shall file an annual report of collections under this rider by June 30th of each year starting June 30, 2017 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase III EE&C-C rates shall be subject to annual review and audit by the Commission.

(C) Change

Issued: May 2, 2016

Effective: June 1, 2016

RIDERS

RIDER G

SMART METER TECHNOLOGIES CHARGE RIDER

A Smart Meter Technologies (“SMT”) Charge (“SMT-C”) shall be applied as a monthly Customer charge during each billing month to metered Customers served under this Tariff, with the exception of those served under Borderline Service rates, determined to the nearest cent. The SMT-C rates shall be calculated separately for each Customer Class according to the provisions of this rider. For all Customers, the SMT-C shall be included in the distribution charges of the monthly bill.

For service rendered on or after May 3, 2015 the SMT-C rates billed by Customer Class are as follows:

Residential Customer Class (Rate RS, and Rate GS – Volunteer Fire Company, and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$0.00 per month.

Commercial Customer Class (Rate GS, GS Special Provision GSDS, Rate GM, and Rate PNP):

\$0.00 per month.

Industrial Customer Class (Rate GS-Large, Rate GP, and Rate GT):

\$0.00 per month

RIDERS

Rider G (continued)

The SMT-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$\text{SMT-C} = [((\text{SMT}_C - E) / \text{ACCC}) / 12] \times [1 / (1 - T)]$$

$$\text{SMT}_C = \text{SMT}_{\text{Exp1}} + \text{SMT}_{\text{Exp2}}$$

Where:

SMT-C = The monthly charge by Customer Class as defined by this rider applied to each Customer billed under the Rate Schedules identified in this rider.

SMT_C = The Smart Meter Technologies Costs by Customer Class projected to be incurred by the Company for the SMT-C Computational Year calculated in accordance with the formula shown above.

SMT_{Exp1} = A projection of costs to be incurred associated with the Customer Class specific Smart Meter Technology Procurement and Installation Plan ("Plan") as approved by the Commission for the SMT-C Computation Year by Customer Class including carrying charges on capital costs, depreciation expense, and operational and maintenance expenses. These costs would also include an allocated portion of any projected indirect costs to be incurred benefiting all Customer Classes of the Company's Plan for the SMT-C Computational Year. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

RIDERS

Rider G (continued)

SMT_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through July 31, 2010 in connection with the development of the Company's Plan. These costs to design, create, and obtain Commission approval for the Company's Plan include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Plan in compliance with Commission directives. These costs shall be amortized over the 5-month period ending December 31, 2010. Interest will be calculated monthly on the average of the beginning and end of month cumulative balance of these costs as incurred and included in the determination of the monthly amortized amount. The interest shall be computed based on the legal rate determined pursuant to 41 P.S. §202.

E = The over or under-collection of SMT costs by Customer Class that results from the billing of the SMT-C rates during the SMT Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. §202, from the month the over or under-collection occurs to the month that the over-collection is refunded or the under-collection is recovered from Customers in the specific Customer Class. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is reconciled to the billed SMT-C rates during the SMT Reconciliation Year. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

RIDERS

Rider G (continued)

- ACCC= The Company's projected Average Customer Class Count for the specific Customer Class for the SMT-C Computational Year.
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this rider shall have the definitions specified in the Definitions of Terms section of this tariff. For the purpose of this rider, the following additional definitions shall apply:

1. SMT-C Computational Year – The 12-month period from January 1 through the following December 31.
2. SMT-C Reconciliation Year – The 12-month period ending June 30 immediately preceding the SMT-C Computational Year.

SMT-C rates shall be filed with the Commission by August 1 of each year and the SMT-C rates shall become effective the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that the SMT-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred during the then-current SMT-C Computational Year, the Company may request that the Commission approve one or more interim revisions to the SMT-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

RIDERS

Rider G (continued)

The Company shall file an annual report of collections under this rider within thirty (30) days following the conclusion of each SMT-C Reconciliation Year.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the SMT-C rates shall be subject to annual review and audit by the Commission

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

(C)
For service rendered June 1, 2017 through August 31, 2017 the PTC_{Default} rates billed by Customer Class are as follows:

Commercial Customer Class (Rate GS (excluding Special Rate GSDS), Rate GM, Rate GS-Large, Rate PNP, PLS, SV, SVD, SM and LED):

\$0.06415 per kWh. (D)

Residential Customer Class (Rate RS, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$0.06674 per kWh (I)

(C) Change
(D) Decrease
(I) Increase

RIDERS

Rider H (continued)

The PTC_{Default} rates by Commercial or Residential Customer Class will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current} \text{ Cost Component} \times PTC \text{ Loss}_{Current}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

(C)

PTC_{Current} Cost Component = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan and any PJM charges related to the provision of Default Service.

(C) Change

RIDERS

Rider H (continued)

$PTC_{LossCurrent}$ = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Commercial Customer Class	1.0661
Residential Customer Class	1.0661

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. (C)

PTC_{NITS} = When the Company purchases Network Integration Transmission from PJM on behalf of customers, a Network Integration Transmission Service charge for Default Service, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

(C) Change

RIDERS

Rider H (continued)

DS_{Exp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015, including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan for retail Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases

(C)

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

DS_{Exp2} = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following:

(C) Change

RIDERS

Rider H (continued)

- Payments made to winning bidders
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in Rider J, and ancillary services associated with the acquisition of default service supply (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Retail Default Service including legal, customer notice, and consultant fees
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider

(C) Change

RIDERS

Rider H (continued)

- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
- The cost of credit when the Company is considered by PJM to be the load serving entity

$PTC_{Rev} =$ The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class $PTC_{Default}$ rates.

$DS_{Int} =$ The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

(C)

(C) Change

RIDERS

Rider H (continued)

$DS_{Sales} =$ The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect.

$T =$ The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

(C)

Each change in the $PTC_{Default}$ rates will be filed with the Commission by the later of (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised $PTC_{Default}$ rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the $PTC_{Default}$ rates shall be subject to annual review and audit by the Commission.

(C) Change

RIDERS

RIDER I

HOURLY PRICING DEFAULT SERVICE RIDER

Availability:

(C)

The charges billed under this rider are applicable to all Customers who elect to take Default Service from the Company and are receiving service under Rate Schedules GP, GT, or GS if such GS Customers also are under Special Rule GSDS. These charges are also applicable to Customers on Rate Schedules GS, GM and GS-Large on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All GS and GM Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone.

HP_{Oth} = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

HP _{Loss Multipliers} :	GS-Small	1.0515
	GS-Medium	1.0515
	GS-Large	1.0515
	GP	1.0171
	GT	1.0007

These HP_{Loss Multipliers} exclude transmission losses.

(C) Change

RIDERS

Rider I (continued)

HP Cap-AEPS-Other Charge:

\$0.01433 per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

(D)

HP Administrative Charge:

\$0.00003 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(I)

HP Uncollectibles Charge:

\$0.00002 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

HP Reconciliation Charge:

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

(C)

For service rendered June 1, 2017 through August 31, 2017, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$(0.00543) per kWh

(D)

(C) Change
(D) Decrease
(I) Increase

RIDERS

Rider I (continued)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = [((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt})/DS_{HPSales}] \times [1 / (1 - T)]$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2015 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2017 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C)

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

(C) Change

RIDERS

Rider I (continued)

- DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:
- Payments made to winning bidders
 - Any PJM related charges other than Non-Market Based Services Transmission Charges identified in Rider J associated with the procurement of Hourly Pricing Default Service (C)
 - AEPS expenses incurred by Penn Power related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
 - An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
 - All contingency plan implementation costs incurred during the supply period
 - An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees
 - The cost of credit when the Company is considered by PJM to be the load serving entity

- $PTC_{HPR\text{ev}}$ = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

(C) Change

RIDERS

Rider I (continued)

- (C)
- DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.
- $DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax:

- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

RIDERS

RIDER J

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or dollar per kW NSPL, as applicable. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Initial Computational Period and thereafter, the DSS Computational Year, the DSS rates billed by Rate Schedule are as follows:

<u>Rate Schedule</u>	<u>DSS Rates</u>
Rate Schedule RS, & GS – Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate	0.245 cents per kWh (I)
Rate Schedule GS	0.109 cents per kWh (I)
Rate Schedule PNP	0.111 cents per kWh (I)
Rate Schedule GM	0.111 cents per kWh (I)
Rate Schedule GS – Large	\$0.146 per kW NSPL (I)
Rate Schedule Primary – GP	\$0.146 per kW NSPL (I)
Rate Schedule Transmission – GT	\$0.146 per kW NSPL (I)
Rate Schedule GS with Special Rule GSDS	\$0.146 per kW NSPL (I)
Rate Schedule PLS	0.111 cents per kWh (I)
Rate Schedule SV, SVD, SM, LED	0.111 cents per kWh (I)

The Residential Customer Class consists of Rate Schedules RS; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services.

The Commercial Customer Class consists of Rate Schedules GS (excluding GS Special Rule GSDS), PNP, GM, GS – Large, PLS, SV, SVD, SM, and LED.

The Industrial Customer Class consists of Rate Schedules GP, GT, and GS with Special Rule GSDS.

(I) Increase

RIDERS

Rider J (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS rate} = [\text{UE} + \text{MPI} + \text{CEC} + \text{NMB} + \text{RE}] \times [1 / (1 - T)]$$

The components of the formula are defined below:

Default Service Related Uncollectibles:

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh to be applied to DSS Sales delivered by the Company to residential and commercial Delivery Service Customers under this rider. The UE reflects the default service-related portion of the uncollectible account expense based on revenues in the Company's distribution base rate case and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable. (C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C) Change

RIDERS

Rider J (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

0.161 cents per kWh (I)

Commercial Customer Class:

0.008 cents per kWh (I)

MTEP and MISO Exit Fees and PJM Integration Charges:

$$MPI = (((MPI_{Exp1} + MPI_{Exp2}) - E) \times \text{Adjustment Factor}) / S$$

Where:

- MPI = The charge to be applied to each Delivery Service Customer served under this Tariff for the Midwest Independent System Operator (“MISO”) Transmission Expansion Plan (“MTEP”) charges and MISO and PJM charges associated with the transition from MISO to PJM approved by FERC.
- MPI_{Exp1} = The Company’s cost of the MTEP charges assessed on the Company pursuant to the Open Access Transmission Tariff (“OATT”) of MISO.
- MPI_{Exp2} = The Company’s (i) charges assessed under MISO’s OATT that are associated with the Company’s exit from the MISO control area and (ii) charges assessed under the PJM OATT that are associated with the Company’s integration into the PJM control area. All such MISO exit fees and PJM integration fees charges approved by FERC shall not exceed \$3.5 million, excluding carrying charges. The Company shall recover these charges plus applicable carrying charges over a minimum five year period.

(I) Increase

RIDERS

Rider J (continued)

- E = The over or under collection of MTEPs and MISO exit fees and PJM integration charges that result from the billing of the MPI portion of the DSS during the DSS Reconciliation Year (an over collection is denoted by a positive E and an under collection by a negative E), including applicable interest. Interest shall be computed monthly based upon 41 P.S. §202, the legal statutory interest rate, from the month the over or under collection occurs to the month that the over collection is refunded to or the under collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year.

The MPI shall be adjusted by the following Customer Class Adjustment Factors, as shown:

<u>Customer Class</u>	<u>Adjustment Factor</u>
Residential	.4126
Commercial	.3101
Industrial	.2773

The MPI charges, by Customer Class, to be included in DSS rates are as follows:

Residential Customer Class:

0.00000 cents per kWh

Commercial Customer Class:

0.00000 cents per kWh

Industrial Customer Class:

\$0.000 per kW NSPL

RIDERS

Rider J (continued)

Customer Education Charges:

$$CEC = (CEC_C - E) / S$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.

CEC_C = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month. The over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CEC rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class: (D)

0.000 cents per kWh

Commercial Customer Class: (D)

0.000 cents per kWh

Industrial Customer Class:

\$0.000 per kW NSPL

(C) Change

(D) Decrease

RIDERS

Rider J (continued)

Non-Market Based Services Transmission Charges:

$$\text{NMB} = (\text{NMB}_C - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include FERC approved costs for (i) PJM Regional Transmission Expansion Plan charges; (ii) PJM Expansion Cost Recovery; (iii) PJM charges for Reliability Must Run generating unit declarations and charges associated with plants deactivated after July 24, 2014, the approval date of the Company's Default Service Program at Docket No. P-2013-2391375; (iv) historical tie line, generation, and retail customer meter adjustments; (v) Unaccounted for Energy; and (vi) any other FERC-approved PJM transmission charges billed to the Company by PJM that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider and are approved by the Commission for recovery under this rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month. The over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The NMB rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

0.064 cents per kWh (D)

Commercial Customer Class:

0.096 cents per kWh (I)

Industrial Customer Class:

\$0.138 per kW NSPL (I)

(D) Decrease

(I) Increase

RIDERS

Rider J (continued)

Retail Enhancements:

$$RE = [(RE_c - E) / S]$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.

RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The RE rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

0.005 cents per kWh

Commercial Customer Class (Rate GS - Small):

(0.002) cents per kWh

(I)

Industrial Customer Class:

\$0.000 per kW NSPL

(I) Increase

RIDERS

Rider J (continued)

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Other Information:

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.
4. DSS Initial Computational Period – the period from the effective date through May 31, 2015 that the DSS Rider is in effect. Thereafter, the DSS Computational Year will be in effect.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

RIDERS

RIDER K

TIME-OF-USE DEFAULT SERVICE RIDER

Availability:

(C)

Time-Of-Use (“TOU”) default service (“TOU_{Default}”) is available under this Rider, upon the terms and conditions set forth herein, to the Residential Customer Class that: (1) have had smart meters installed pursuant to the Penn Power Smart Meter Technology Procurement and Installation Plan; and (2) affirmatively elect to receive service under this Rider and comply with its enrollment procedures. Customers that apply for service under this Rider must agree, as a condition of service hereunder, to allow the Company to share their Customer information as defined in the Company’s Electric Generation Supplier Coordination Tariff with the EGS(s) that provides TOU_{Default}, subject to the requirements, restrictions and limitations, if any, of the Commission’s applicable regulations dealing with the release of Customer information.

Rates:

Summer Period of service rendered June 1 – August 31:

On-Peak Rate shall be determined as follows:

(C)

$\text{TOU}_{\text{Default On-Peak}} = \text{Residential Customer Class PTC}_{\text{Default}} \text{ Rate} \times 1.41$

Off-Peak Rate shall be determined as follows:

(C)

$\text{TOU}_{\text{Default Off-Peak}} = \text{Residential Customer Class PTC}_{\text{Default}} \text{ Rate} \times 0.78$

Non-Summer Period:

$\text{TOU}_{\text{Default}} = \text{Residential Customer Class PTC}_{\text{Default}} \text{ Rate}$

(C) Change

RIDERS

Rider K (continued)

TOU Default:

Qualifying Customers that are enrolled to receive service under this Rider will obtain TOU default service from a Commission-certified EGS contracted to provide TOU default service pursuant to the terms and conditions of this Rider.

Each enrolled Customer must execute, and will receive service pursuant to, a Commission-approved consumer contract and disclosure statement with an EGS selected to furnish TOU default service until such time as Customer selects another option from the EGS, selects another EGS, or requests a return to Default Service consistent with existing switching rules or until the Commission orders changes to the TOU Default Service Rider. The consumer contract and disclosure statement will set forth terms of service specified by the EGS that are in addition to, but may not conflict with, the rates, terms and conditions of service set forth in this Rider.

The rates for TOU default service set forth in this Rider will be calculated at the end of each Default Service Quarter (three months ending June 30th, September 30th, December 31st, and March 31st) to be effective for the three-month period beginning on the first day of the third month following the end of the Default Service Quarter (September 1st, December 1st, March 1st, and June 1st).

On-Peak and Off-Peak Hours:

(C)

The rates for TOU default service are different for on-peak hours and off-peak hours during the months of June, July and August, and billed on a service rendered basis. The TOU default service rate for all other months will not reflect an on-peak or off-peak differential. On-Peak Hours are all hours beginning 12:00 PM Eastern Standard Time and ending 9:00 PM Eastern Standard Time each day from Monday through Friday. Off-peak hours are all hours not identified as on-peak hours.

Enrollment:

Enrollment will occur consistent with the switching rules provided in the Company's Electric Generation Supplier Coordination Tariff.

(C) Change

RIDERS

Rider K (continued)

Customer Switching:

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS, including non-TOU default service from the EGS providing TOU default service to the Customer pursuant to this Rider.

Commission's Failure to Approve an EGS Contract and Alternative Rates:

(C)

In the event the Commission does not approve a standard contract for use between the Company and participating EGSs or no EGS elects to provide TOU default service, Customers enrolled, or electing to enroll, in the TOU default service program will receive service under the terms and conditions of the Company's Price To Compare Default Service Rate Rider, and the TOU_{Default} rates shall be the rates set forth in such Price to Compare Default Service Rate Rider (including, without limitation, "E" Factor of such rates). During the Summer Period, the PTC_{Default} rate will be multiplied by 1.28 to establish the TOU_{Default On-Peak} rate during on-peak hours and multiplied by 0.82 to establish the TOU_{Default Off-Peak} rate during off-peak hours.

EGS Withdrawal From Providing TOU Default Service:

In the event an EGS providing service through the TOU Default Service Rider elects to withdrawal from providing such service, the Company may randomly reassign the Customers receiving TOU default service from such EGS to the remaining EGSs that are providing TOU default service on behalf of the Company.

Annual Review and Audit:

The application of the TOU_{Default} rates under this Rider shall be subject to annual review and audit by the Commission.

(C) Change

RIDERS

RIDER L
PARTIAL SERVICES RIDER**Availability/Applicability:**

This Rider applies to general service customers having on-site non-synchronous generation equipment or synchronous equipment that does not qualify for Net Metering Rider capable of supplying a portion of their power requirements for other than emergency purposes. Electricity sold under this Rider may not be resold; nor may it be used to operate the auxiliary loads of the generating facilities while those facilities are generating electricity for sale.

(C)

In addition to the charges included in the applicable rate schedule, all of the following general monthly charges are applicable to Delivery Service Customers.

General Monthly Charges:

Fifty Dollars (\$50.00)/per month, plus the charges listed below, depending upon the voltage at which the Customer is being served and the services (i.e., Backup Demand and/or Maintenance Demand) selected by the Customer:

Distribution Charge	Backup Demand (Dollars/KW)	Maintenance Demand (Dollars/KW)	
Secondary Voltage	\$3.27	\$2.62	(I)
Primary Voltage	\$3.26	\$2.60	(I)
Transmission Voltage	\$0.27	\$0.22	(I)

(C) Change
(I) Increase

RIDERS

Rider L (continued)

Payment Terms:

As per Rule 11, Payment of Bills.

Term of Contract:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

Terms and Conditions:

- A. Except where modified by this RIDER L, the Customer shall be subject to the terms and conditions of the Rate Schedule that would otherwise apply to the Customer.
- B. Service under this RIDER L shall be supplied only at locations where, in the Company's sole and exclusive discretion, there exists lines and equipment of sufficient capacity to supply the service requested by the Customer.
- C. The Customer's total combined capacity for the Backup and Maintenance Service shall not exceed the capacity of the generator(s) or other source of power to the Customer that is experiencing the outage.
- D. The Customer's generators or other source of supply shall not be operated in parallel with the Company's lines except upon written consent of the Company or as defined under the contractual arrangements.
- E. The periods of the year to be considered peak periods are from December 15 through March 15 and May 31 through September 15. Non-peak periods shall be the remaining periods of the year. Peak and non-peak periods may be changed from time to time by the Company after giving notice to the Customer.
- F. For purposes of this RIDER L, the On-peak hours shall be defined as 9 a.m. - 9 p.m. weekdays with Off-peak hours encompassing all other hours.

RIDERS

Rider L (continued)

- G. The Company may, at its option, require the Customer to install metering equipment sufficient to verify the performance of the Customer's generating equipment.

General Provisions:A. Backup Service:

1. Following the written request of the Customer indicating the amount of Backup Service required, the Company shall supply such service each month at the charges listed under General Monthly Charges.
2. During any billing period in which the Customer's generating equipment or other source of power experiences a forced or unscheduled outage which requires the Company to provide backup energy, the Customer shall be required to pay the Company for (i) the backup capacity at the charges listed in this Rider L, General Monthly Charges, (ii) all capacity in excess of the specified capacity as Supplemental Service, and (iii) all energy purchased at the charges and applicable riders set forth in the Rate Schedule that would otherwise apply to said Customer.
3. During any billing period in which the Company is not required to provide energy to "backup" the Customer's generating equipment or other source of power, the Customer shall pay to the Company the charges listed under General Monthly Charges for backup capacity.
4. Backup Service at the charges listed in this Rider L, General Monthly Charges is limited to fifteen percent (15%) of the On-peak hours and fifteen percent (15%) of the Off-peak hours during any and all consecutive twelve-month billing periods. Backup Service beyond fifteen percent (15%) of the time during a particular consecutive twelve-month period shall be billed to the Customer by the Company as Supplement Service at the Rate Schedule that would otherwise apply to said Customer.

RIDERS

Rider L (continued)

5. The Customer shall permit the Company to install metering on the customers generation at the customers expense (phone line) or the Customer is required to notify the Company of the failure of its generating equipment in order to invoke RIDER L Paragraph A2 of the Backup Service provision. The Company shall not be required to rebill the Customer if the Company is not notified of the equipment failure prior to the Company's scheduled billing date of the Customer's account.
6. Back-up Service Billing Demand shall be the Contract Demand for Back-up Service.
7. The Back-up Service Measured Demand shall equal the lesser of a) the difference between the generating capability of the Customer's generator less the actual amount generated in a 30 minute period as measured by Company's metering located on the Customer Generator, or as provided with documentation acceptable to the Company by the Customer, or b) the Back-up Service Billing Demand.

B. Maintenance Service:

1. At the option of the Company, Customers may schedule their maintenance outages at any and all hours, during the periods from March 15 to May 31, September 15 to December 15, July 4 and Labor Day. Customers may also schedule their maintenance outages during Off-peak hours of the remainder of the year. For purposes of this RIDER L, On-peak shall be defined as 9 a.m. - 9 p.m. weekdays, with all Off-peak hours being all other hours.
2. Customers who schedule their maintenance outages as set forth in RIDER L Paragraph B1 and who request maintenance service in accordance with RIDER L Paragraph B7, shall be billed by the Company at the charges listed under General Monthly Charges for the additional demands created during the scheduled outage up to the amount of requested maintenance power. In addition, the Customer shall be billed by, and pay to, the Company normal monthly charges including, but not limited to, the Monthly Minimum Charges, Demand Charges, Backup and Energy Charges at the Rate Schedule(s) that would otherwise apply to said Customer.

RIDERS

Rider L (continued)

3. The additional demands, subject to maintenance charges, created during the scheduled outage shall not exceed the specified Maintenance Service capacity. Maintenance Service at the charges listed under General Monthly Charges shall be limited to twenty-five percent (25%) of the time (i.e., hours) during any and all consecutive twelve (12) month periods. Maintenance Service beyond twenty-five percent (25%) of the time during a particular consecutive twelve (12) month period shall be billed by the Company at the Rate Schedule that would otherwise apply to said Customer.
4. When the Customer's scheduled maintenance outage of the generating facility cannot be scheduled in accordance with this Rider L Paragraph B1, the demand established shall be subject to the charges and conditions set forth in the applicable Rate Schedule that would otherwise apply to said Customer.
5. The Company may, at its option, allow a Customer to extend the maintenance outages into On-peak periods provided that the length of extension into these periods does not exceed five (5) days. The demands established during these periods shall be billed by the Company at the charges specified in General Monthly Charges.
6. The Customer shall provide thirty (30) days written advance notice to the Company of a scheduled maintenance outage and specify the amount of maintenance power required. The Company shall make the Maintenance Service available within thirty (30) days before or after the Customer's requested maintenance outage.
7. Customers who wish to schedule their maintenance outages during periods other than those described in Rider L Paragraph B1 may, at the sole and exclusive discretion of the Company, do so on an interruptible basis. The Company may request that a Customer interrupt their scheduled maintenance outage during periods of system constraint, system emergency, or during periods of high cost energy purchases. When the Customer requests a scheduled interruptible maintenance outage, a non-interruptible Maintenance Service requirement, not to exceed one percent (1%) of the requested maintenance capacity, shall be specified. When the Company requests a Maintenance Service interruption, the Customer shall reduce its Maintenance Service requirements to the pre-determined non-interruptible base level within thirty (30) minutes of notification by the Company. Failure to do so shall result in the Company issuing a bill to the Customer for the demand established during the requested interruption in excess of the non-interruptible base at the demand charges set forth in the Rate Schedule that would otherwise apply to said Customer. The Company shall notify the Customer when a particular Maintenance Service Interruption is terminated.

(C)

(C) Change

RIDERS

Rider L (continued)

C. Supplemental Service:

1. All electric energy consumed in excess of Backup Service Measured Demand and or Maintenance Service Measured Demand shall be considered Supplemental Service. Supplemental Service shall be provided and billed under that rates, terms and conditions of the otherwise determined rate schedule.

(C)

Riders:

Bills rendered by the Company under this Rate Schedule are subject to the charges stated in any applicable Rider.

(C) Change

RIDERS

RIDER M
COGENERATION & SMALL POWER PRODUCTION
QUALIFYING FACILITY SERVICE RIDER
(Applicable to All Service Classifications)

Electricity produced by a “Qualifying Facility” (“QF”), as defined in §210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), with generating capacity of 500 kW or less shall be purchased by the Company in accordance with the terms of this Rider. Facilities with more than 500 kW of generating capacity or facilities that do not meet Federal Energy Regulatory Commission (“FERC”) certification requirements under § 210 of PURPA shall apply for specific contract terms. All energy or energy and capacity credits utilized in A. and B. of this Rider shall be determined in accordance with applicable Commission and FERC regulations.

A. Energy Purchases by Company:

1. The purchase price for all Net Electric Energy supplied to the Company from the Qualifying Facility will be at Avoided Cost.
2. Avoided Cost shall be defined as the Real Time Location Marginal Price (“LMP”) and as utilized in Paragraph 2 hereof shall mean the Real Time LMP for each hour at the ATSI zone aggregate hourly integrated market marginal clearing price for all Net Electric Energy as specified on the PJM Interconnection, L.L.C. or successor’s website, which is currently www.pjm.com multiplied by seventy-five percent (75%).
3. Within sixty (60) days of the meter reading date, the Company shall render payment and furnish a written statement indicating the amount of energy received by the Company and the calculation of payment at applicable rates unless the QF has not delivered at least 5,000 kWh to the Company. In this instance, a statement will be rendered annually or within sixty (60) days of the meter reading that indicates at least 5,000 kWh has been delivered to the Company since the last statement. Each statement shall reflect the Company’s Twenty-Five Dollars (\$25.00) administrative charge. The Customer has thirty-five (35) days from the date of the payment to dispute a payment calculation. If after thirty-five (35) days from the date of the payment, the Customer has not contacted the Company, the payment and calculation shall be considered correct and accepted by the Customer.
4. QF’s with less than fifty (50) kW of generating capacity may select Net Energy Billing in accordance with the Company Policy set forth in B - Net Energy Billing Policy.

RIDERS

Rider M (continued)

B. Net Energy Billing Policy:

1. Where the potential for energy delivery to the Company is very small, the Company shall encourage the QF to interconnect with the Company's system and not sell surplus energy to the Company. Under these circumstances, the QF will avoid the cost of installing a second meter base since the Company will replace the normal kWh meter with a kWh meter with detent.
2. Where the QF elects to sell surplus energy to the Company, installation of a second meter base by the QF shall be required. The Company shall install two (2) kWh meters with detent. One (1) meter will record energy delivered from the Company to the Customer and supply the monthly billing determinants. The second meter will record energy delivered from the QF to the Company for the determination of the payment to the QF at a rate based upon the Company's average projected energy costs for the year ending December 31 of each filing year, as determined to the nearest 0.1¢ per kWh. Payment to the QF for energy delivered to the Company will be made annually, and a Twenty-Five Dollar (\$25.00) administrative charge, by the Company shall be reflected therein.

C. Interconnection Costs:

1. QF shall pay any incremental, i.e., additional, interconnection costs above the costs to service the Customer's electrical load which the Company incurs in order to purchase power from the QF. These incremental interconnection costs shall include site specific costs such as, but not limited to, line extensions, facilities changes, special facilities, and right-of-way costs.
2. Payments for the incremental interconnection costs may, at the option of the QF, be made either as (i) a lump sum payment, or (ii) time payments spread over a mutually agreeable period of five (5) years or less. When the QF chooses to spread the payment over a mutually agreeable time period, the payments to the Company shall include an interest payment equal to the Company's allowed rate of return on common equity as last approved by the Commission as of the date the payment agreement is consummated.
3. After the QF installs the necessary interconnection equipment, the Company may require an inspection prior to making the interconnection. The Company shall have this inspection conducted within 20 days of notice by the QF that the installation has been completed and shall provide the QF with the results of this inspection within five (5) working days.

RIDERS

Rider M (continued)

D. Safety and Reliability:

1. Interconnection with the Company's system requires the installation of projective equipment which, in the Company's judgment, provides safety for personnel, affords adequate protection against damage to the Company's system or to its Customer's property, and prevents interference with the Company's supply of service to others. After installation and at any time this rate is in effect, the Company shall have the right to inspect the facilities and their operation, and to inspect and test all protective equipment.
2. Parallel operation must cease immediately and automatically during system outages and other emergency or abnormal conditions specified by the Company. The QF must cease parallel operation upon notification by the Company if such operation is determined to be unsafe, interferes with the supply of service to others, or interferes with system maintenance or operation. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or potential which originates from a QF's generation facilities, or is caused by failure of the QF to operate in compliance with Company requirements.
3. The QF generation equipment must be equipped with a Company-controlled manually operable disconnecting device capable of being locked in the open position. This device will allow isolation of the QF's generator from the Company system and may be located at the interconnection point or at the QF's generator. Interlocks must be provided to preclude paralleling the generator through any point other than the designated interconnection point.
4. Automatic reclosing shall not be installed on the interconnection disconnecting device.
5. Customer equipment must be equipped with a Company-approved overcurrent protective device and necessary relaying to interrupt generator fault current due to fault on the Company system.
6. The Customer may be required to install current limiting reactors to limit the magnitude of Customer-owned generator fault current.

E. Purchase Agreement: No contract is required for QFs 500 kW or less who elect to receive the actual avoided cost at the time of the sale to the Company. In addition, those QFs of 50 kW or less that elect to have net energy billing do not require a written agreement. Those QFs greater than 500 kW wishing to use projections or leveled projections to sell power to the Company shall be required to sign a letter of agreement or other contract stating the terms of the transaction. No purchase will be made by the Company without such contract.

RIDERS

RIDER N

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER

A Solar Photovoltaic Requirements Charge ("SPVRC"), determined to the nearest one-thousandth of a cent per kWh, shall be applied to each kWh delivered during a billing month to all Delivery Service Customers not qualifying for Solar Photovoltaic ("SPV") self generation exclusion. The SPVRC shall be non-bypassable.

(C)

For service rendered June 1, 2017 through May 31, 2018, the SPVRC shall be equal to 0.039 cents per kWh for all kWh.

(I)

The SPVRC shall be calculated annually in accordance with the formula set forth below:

$$SPVRC = [(SPVRC_C - E) / S] \times [1 / (1 - T)]$$

$$SPVRC_C = SPVRC_{Exp1} + SPVRC_{Exp2} + SPVRC_{Exp3} + SPVRC_{Exp4}$$

Where:

SPVRC = The charge in cents per kWh to be applied to each kWh delivered to Delivery Service Customers served under this tariff.

SPVRC_C = Solar Photovoltaic Requirements Charge Costs calculated in accordance with the formula shown above.

E = The over or under-collection of SPVRC costs that results from billing the SPVRC during the SPVRC Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. The E rate shall be applied to each kWh delivered to Delivery Service Customers. Interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. §202, from the month in which the over or under-collection occurs to the month in which the over-collection is refunded to or the under-collection is recovered from all Delivery Service Customers.

SPVRC_{Exp1} = A projection of the costs incurred to acquire the Solar Photovoltaic Alternative Energy Credits ("SPAECs") to be retired during the SPVRC Computational Year obtained from winning bidders selected in the competitive procurement process to fulfill the Company's SPV obligations imposed by the AEPS Act and related laws and regulations, as the same may be amended from time to time ("AEPS Laws And Regulations").

(C) Change

(I) Increase

(C) Change

RIDERS

Rider N (continued)

- $SPVRC_{Exp2}$ = Administrative costs projected for the SPVRC Computational Year associated with the competitive procurement process implemented to fulfill the Company's SPV obligations imposed by the AEPS Laws And Regulations. These administrative costs include, but are not limited to, consultant costs and other direct and indirect costs associated with the Company's administration of the competitive procurement process and compliance with the SPV obligations imposed by the AEPS Laws And Regulations.
- $SPVRC_{Exp3}$ = Incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's compliance with the SPV obligations imposed by the AEPS Laws And Regulations, which shall be amortized over the twenty-four (24) month period ending May 31, 2015. These administrative costs include, but are not limited to, consultant costs and other direct and indirect costs associated with the Company's administration of the competitive procurement process and compliance with the SPV obligations imposed by the AEPS Laws And Regulations. Interest will be calculated monthly on the average of the beginning of the month and the end-of-month balances of these costs and included in the determination of the monthly amortized amount. The interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. §202.
- $SPVRC_{Exp4}$ = The net of: 1) proceeds resulting from the sale into the market of excess, unused SPAECs procured by the Company in the competitive procurement process; 2) the cost of any additional or supplemental SPAECs purchased by the Company in the market outside of the competitive bid process, as needed to meet its SPV obligations under the AEPS Laws And Regulations; and 3) the carrying cost of banked SPAECs, computed and compounded monthly at the legal rate determined pursuant to 41 P.S. §202 based upon the cost to acquire the banked SPAECs.
- S = The Company's projected kWh sales to Delivery Service Customers for the SPVRC Computational Year less Excluded Sales.

RIDERS

Rider N (continued)

Excluded Sales = Projected net Delivery Service kWh sales for the SPVRC Computational Year to qualifying SPV self-generating Customers, which shall be excluded from the SPVRC for the SPVRC Computational Year if the SPV self-generating Customer satisfies the criteria set forth in "Qualifications for exclusion from SPVRC for Self Generation" as set forth below.

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in the same decimal form used to express the Pennsylvania gross receipts tax rate that is employed in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions of Terms section of this tariff. For purposes of this rider, the following additional definitions shall apply:

1. SPVRC Computational Year – The 12-month period from June 1 through the following May 31.
2. SPVRC Reconciliation Year – The 12-month period ending March 31 immediately preceding the SPVRC Computational Year.

The SPVRC shall be filed with the Commission by May 1st of each year. Changes to the SPVRC shall become effective on June 1 of each year unless otherwise ordered by the Commission, and shall remain in effect for a period of one (1) year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that the SPVRC, if left unchanged, would result in material over or under-collection of all costs recoverable under the SPVRC Rider incurred or expected to be incurred during the then current SPVRC Computational Year, the Company may request that the Commission approve one or more interim revisions to the SPVRC to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

RIDERS

Rider N (continued)

Qualifications for Exclusion From SPVRC for Providing SPAECs to the Company From a Customer Owned SPV Generator:

1. The exclusion is available to Customers served on Rate Schedules GS Large, GP, and GT.
2. Customer must submit an application to the Company in advance of the SPVRC Computational Year requesting a waiver of the SPVRC. As part of the initial application, the Customer must have an executed interconnection agreement with the Company pursuant to applicable interconnection regulations, must have installed qualifying SPV panels in an amount adequate to cover the SPAEC requirements for the Customer's expected net Delivery Service kWh, and must have installed qualifying metering on site to record the cumulative electricity production from its qualifying SPV panels in order to verify the SPAEC value determined pursuant to Act 213, Section 3 (A)(3)(e)(3). Upon the Company's approval of the Customer's application, this Rider shall not be applicable as long as the Customer continues to meet the qualifications for exclusion.
3. The Company will make an estimate of the Customer's SPAECs to be transferred to the Company based on the Company's determination of the Customer's most recent 12 months of net Delivery Service kWh. The amount of SPAECs will be rounded up to the nearest whole number. This value will be communicated to the Customer before the SPVRC Computational Year.
4. After the close of the SPVRC Computational Year, the Company will bill the Customer for the SPAECs necessary to extinguish the Customer's obligation. No later than 45 days after the end of the SPVRC Computational Year, the Customer must transfer the specified self-generated SPAECs into the Company's GATS account to demonstrate compliance for the recently completed SPVRC Computational Year.
5. Upon receipt of all required SPAECs, the Company will continue to exclude the qualifying Customer from being billed the SPRVC.

RIDERS

Rider N (continued)

Penalty for Non-Compliance From Customers Who Qualify for the Exclusion:

If the Customer fails to meet the obligation spelled out in Paragraph 4, then the Customer shall pay to the Company, the market cost incurred by the Company to replace the SPAECs not delivered by the Customer.

The Company shall file an annual report of collections under this Rider within sixty (60) days following the conclusion of each SPVRC Reconciliation Year.

At the conclusion of the period during which this Rider is in effect, the Company shall be authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of this non-bypassable SPVRC shall be subject to annual review and audit by the Commission.

RIDER O
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply (D)
consistent with the Commission Order dated June 9, 2016 at Docket No. P-2015-2508931,
approving the Distribution System Improvement Charge ("DSIC"). This charge will be effective
January 27, 2017. (C)

1. General Description

- A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide Pennsylvania Power Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

- B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and towers (account 364);
- Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);
- Line transformers (account 368) and substation equipment (account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

- C. Effective Date: The DSIC will become effective July 1, 2016.

(D) Decrease
(C) Change

Rider O (Continued)

2. Computation of the DSIC

- A. **Calculation:** The initial DSIC, effective July 1, 2016, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the month of May 2016. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
January 1	September – November
April 1	December – February
July 1	March – May
October 1	June - August

- B. **Determination of Fixed Costs:** The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. **Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in Pennsylvania Power Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.
2. **Pre-tax return:** The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

RIDERS

Rider O (Continued)

(C)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). All Customers will be billed the DSIC on a bills-rendered basis. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{((\text{DSI} * \text{PTRR}) + \text{Dep} + e) \times 1 / (1 - T)}{\text{PQR}}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below. (C)

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers, excluding customers served under the Company's Rate Schedule GSDS over 69,000 volts and Rate Schedule GT over 69,000 volts, plus revenue from any customers which will be acquired by the beginning of the applicable service period.

T = Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC, nor shall changes hereunder be a part of the monthly rate schedule minimum. The DSIC shall not be subject to any credits or discounts. The STAS included in this Tariff is applied to charges under the DSIC.

(C) Change

RIDERS

Rider O (Continued)

3. Quarterly Updates:

Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

4. Customer Safeguards

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

(C)

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over collections will be refunded with interest. Interest on over collections and credits will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over collection. The Company is not permitted to accrue interest on under collections.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in Pennsylvania Power Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E. Customer classes: Effective July 1, 2016, the DSIC shall be applied equally to all customer classes except Rate Schedule GSDS over 69,000 volts and Rate Schedule GT over 69,000 volts

(C)

(C) Change

RIDERS

Rider O (Continued)

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Utility would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

(C)

G. Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any over collection to Customers and is entitled to recover any under collections as set forth in Section 4.B. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

(C)

(C) Change