

**PENNSYLVANIA ELECTRIC COMPANY**

**Doing Business as GPU ENERGY**

**ENERGY SERVICE COMPANY  
COORDINATION MANUAL**

**Applicable in the Waverly, New York District**

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**COMPANY OFFICE LOCATION**

**2800 Pottsville Pike  
P.O. Box 16001  
Reading, Pennsylvania 19640-0001**

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Reading, Pennsylvania**

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## **RULES**

### **1. General Application**

#### **1.a The Manual**

##### **1.a.1 Application**

This Manual applies to all ESCOs providing Competitive Energy Supply to Customers located in the Company's service territory, including an affiliate or division of the Company that provides Competitive Energy Supply, and with whom the Company has executed an Individual Coordination Agreement. The obligations imposed on ESCOs in this Manual shall apply to any ESCO or other entity regardless of whether it is (i) declared eligible by the NYPSC or is (ii) registered or certified as an LSE by PJM.

This Manual shall be a part of every Individual Coordination Agreement entered into by the Company and shall govern all Coordination Activities.

##### **1.a.2 Availability of Manual**

This Manual, which comprises the rules and procedures under which the Company shall provide Coordination Services to ESCOs, has been provided to the Commission and is open for inspection at the Company's Pennsylvania offices. A copy of this Manual and the documents attached or referenced in this Manual are also available on the Company's Website.

##### **1.a.3 Revisions and Modifications**

This Manual may be revised, modified, amended, supplemented or otherwise changed (collectively, "Revisions") by the Company from time to time, in its sole and exclusive discretion, and such Revisions (i) shall be applicable to and binding upon all relevant parties and (ii) may be in such form as the Company deems appropriate in its sole discretion. The Company shall communicate the Revisions to eligible ESCOs in a timely manner through (i) a posting on the Company Website and (ii) by sending each such ESCO a Notice.

Rule 1 - General Application (continued)

**1.b Scope and Purpose of Manual**

**1.b.1 Scope and Purpose of Manual**

This Manual sets forth the basic requirements for interactions and coordination between the Company, as the Electric Distribution Company, and ESCOs necessary for ensuring the delivery of Competitive Energy Supply from ESCOs to their Customers commencing January 1, 2001.

**1.b.2 FERC Jurisdictional Matters**

The inclusion of FERC-jurisdictional matters within the scope of this Manual is solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Commission. If anything stated herein is found by the FERC to conflict with or be inconsistent with provision of the Federal Power Act (FPA), or any rule, regulation, order or determination of the FERC under the FPA, the applicable FERC rule, regulation, order or determination of the FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company shall secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to implement this Manual.

**2. Definitions**

The following terms used in this Manual shall have the definitions specified below:

**Active Load Management** - The process for arranging to have firm load become interruptible in accordance with criteria established by the PJM OI.

**Advanced Meter** - A meter (i) capable of storing electric consumption data at specified time intervals of no greater than one-half hour and in conformance with applicable performance specifications, and (ii) capable of remote meter reading. Advanced Meters may be utilized for billing purposes.

**Charge** - Any fee or charge that is billable by the Company to an ESCO under this Manual including, without limitation, any Charge for Coordination Services.

Rule 2 - Definitions (continued)

**Commission or NYPSC** - The New York Public Service Commission or any lawful successor thereto.

**Company** - Pennsylvania Electric Company, doing business as GPU Energy.

**Competitive Energy Supply** - Energy, capacity, transmission and ancillary services obtained and provided by an ESCO to its Customers.

**Consolidated EDC Billing or Consolidated EDC Bill** - A bill or invoice for services issued by an EDC to a Customer that contains the charges of both the EDC and the Customer's ESCO.

**Coordination Activities** - All activities related to the provision of Coordination Services.

**Coordination Obligations** - All obligations identified specifically in Rule 3 and throughout this Manual, relating to the provision of Coordination Services.

**Coordination Services** - Those services that permit the type of interface and coordination between ESCOs and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the Company's service territory including, without limitation, load forecasting, scheduling functions and Rule 7 reconciliation.

**Coordinated Supplier** - An Energy Service Company that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting energy schedules to the PJM OI.

**Customer** - Any person(s) or entity(s) receiving electric distribution and other services under this Company's prevailing EDC Tariff and who is permitted by the Company's EDC Tariff to purchase all of their electric supply (i.e., electric energy and transmission, or energy, capacity and transmission) from ESCOs.

**Customer Number** - Twenty digit number found on the Company's bill used primarily by ESCOs.

**EDC Tariff** - The Company's Electric Service Tariff, denominated "Pennsylvania Electric Company Tariff P.S.C. No. 6 - Electricity".

Rule 2 - Definitions (continued)

**Electric Distribution Company or “EDC”** - A public utility that owns electric distribution facilities.

**Electronic Data Interchange or “EDI”** - The electronic transmission of business documents in a standard format between an EDC and an ESCO for transactions as specified in this Manual.

**Energy Service Company or “ESCO”** - A supplier of electric generation that is eligible to sell electricity to retail Customers within the State of New York and is certified as an LSE in accordance with the applicable PJM rules. Any agent including, but not limited to, a scheduling coordinator retained by or otherwise representing an ESCO, shall also be considered as an ESCO for purposes of this Manual.

**Enrollment** - The transaction or process involved when a Customer signs up for or drops Competitive Energy Supply from an ESCO.

**FERC** - The Federal Energy Regulatory Commission or any lawful successor thereto.

**GPU Energy or “GPUE”** - Pennsylvania Electric Company or its lawful successor or assigns.

**Individual Coordination Agreement** - The agreement between the ESCO and the Company in the form attached to this Manual as Rider A.

**Kilowatt or kW** - Unit of measurement of useful power equivalent to 1000 watts.

**Load Serving Entity or “LSE”** - An entity that has been granted the authority or has an obligation pursuant to state or local law, regulation or franchise to sell electric energy to end-users located within the PJM Control Area, including Customers residing in the Company’s Waverly, New York district.

Rule 2 - Definitions (continued)

**Locational Marginal Price or “LMP”** - The hourly integrated marginal price to serve load at individual locations throughout PJM, or the load weighted average of locations throughout the Company Zone, as specified in the PJM Tariff, calculated by the PJM OI.

**MAAC** - The Mid-Atlantic Area Council or any lawful successor thereto.

**Manual** - This Energy Service Company Coordination Manual.

**Megawatt or MW** - One thousand kilowatts.

**Meter Read Date** - The date on which the Company schedules a meter to be read for purposes of producing a Customer bill in accordance with the regularly scheduled billing cycles of the Company, regardless of whether the meter is actually read on that date.

**Month** - A month under this Manual means 1/12 of a year, or the period of approximately thirty (30) days between two (2) regular consecutive readings of the Company’s meter or meters installed on the Customer’s premises.

**NERC** - The North American Reliability Council or any lawful successor thereto.

**Network Integration Transmission Service Reservation** - A reservation under the PJM Tariff of Network Integration Transmission Service, which allows a transmission Customer to integrate and economically dispatch generation resources located at one or more points in the PJM Control Area to serve its Network Load as that term is defined by the PJM Tariff.

**Notice, Notify, Notification** - Unless otherwise stated in this Manual, any notice contemplated by this Manual shall be in writing, and shall be delivered or sent by first class mail (properly addressed and postage prepaid), overnight or same-day delivery service (properly addressed and postage prepaid), or by electronic transmission, including without limitation, facsimile, telex, telecopy or Internet electronic mail (with the original transmitted by any of the aforementioned delivery methods) to the other party at the addresses stated in the paragraph 7 of the Individual Coordination Agreement. Notice shall be deemed given (i) via first class mail, on the fifth business day determined by the postmark date, following deposit in the United States mail; (ii) via same-day or overnight delivery service, on the date of delivery or (iii) via electronic transmission, on the date sent.

Rule 2 - Definitions (continued)

**NYPSC or Commission** - The New York Public Service Commission or any lawful successor thereto.

**Pa. P.U.C.** - Pennsylvania Public Utility Commission or any lawful successor thereto.

**PJM** - PJM Interconnection, L.L.C. or any lawful successor thereto.

**PJM Control Area** - The Control Area encompassing systems in Pennsylvania, New Jersey, Maryland, Delaware, Virginia and the District of Columbia and which is recognized by the North American Electric Reliability Council as the "PJM Control Area".

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

**PJM Tariff or "PJM OATT"** - The PJM Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

**Provider of Last Resort, "PLR", or PLR Service** - Electric generation, transmission, distribution and related services provided by the Company to retail Customers who (i) are receiving all of their electric service requirements from the Company and never seek or obtain Competitive Energy Supply or (ii) have obtained Competitive Energy Supply and, for any reason, return to the Company for such service.

**Retail Access Program** - The Rules, procedures and policies reflected in this Manual that foster competition in the electric generation market and permit entities other than the Company to sell electric generation to Customers at retail.

**Rule** - The sections of this Manual that contain the terms, conditions and obligations imposed on the Company, ESCOs and others as more specifically stated in this Manual.

**Scheduling Coordinator** - An entity that performs one (1) or more of an ESCO's Coordination Obligations, including the submission of energy schedules to the PJM OI, and that either is (i) a member of PJM or (ii) is the agent, for scheduling purposes, of one (1) or more ESCOs that are members of PJM.

**Website or Company Website** - [www.gpu.com](http://www.gpu.com).

### **3. ESCO Eligibility & Compliance**

#### **3.a Commencement of Company/ESCO Coordination**

##### **3.a.1 Registration for Coordination Services**

An ESCO seeking to obtain Coordination Services shall deliver to the Company a completed and fully executed registration, consisting of the following:

- (i) an Individual Coordination Agreement, in the form contained in Rider A hereto, fully executed in triplicate by a duly authorized representative of the ESCO;
- (ii) written evidence that the ESCO is a signatory to the Operating Agreement and Reliability Assurance Agreement of PJM; and
- (iii) the ESCO's applicable state sales tax identification number.

##### **3.a.2 Incomplete Registrations**

In the event an ESCO submits a registration the Company finds to be incomplete, the Company shall contact the ESCO regarding the registration's deficiencies within ten (10) business days after the date of receipt of the registration. An incomplete registration shall not be processed by the Company.

##### **3.a.3 Creditworthiness Standards**

The Company shall apply the creditworthiness standards set forth in Rider D, which may be modified from time to time by the Company, in its sole and exclusive discretion, in determining whether the ESCO's registration is complete and otherwise satisfies the requirements of this Rule. No registration shall be approved unless the creditworthiness standards have, in the Company's sole judgment, been satisfied in all respects.

Rule 3 - ESCO Eligibility & Compliance (continued)

**3.a.4 Processing of Registrations**

The Company shall finalize the processing of each completed registration for Coordination Services within ten (10) business days after the date of receipt of the registration. The Company shall approve all completed registrations unless grounds for rejecting the registration, as defined below, exist.

**3.a.5 Grounds for Rejecting Registrations**

The Company may reject any registration for Coordination Services on one or more of the following grounds:

- (i) the ESCO has undisputed outstanding and unpaid debts to the Company arising from the ESCO's previous receipt of Coordination Services from the Company under this Manual;
- (ii) the ESCO has failed to meet the creditworthiness standards as specified in Rider D of this Manual; or
- (iii) the ESCO has failed to submit a completed registration within thirty (30) calendar days after Notice from the Company of the registration's deficiency.

**3.a.6 Offer of Conditional Acceptance of Registrations**

Where grounds for rejection of a registration exist due to an ESCO's outstanding, undisputed, and unpaid debts to the Company arising from the ESCO's previous receipt of Coordination Services from the Company under this Manual, the Company may offer the affected ESCO a conditional acceptance if the ESCO pays all debts before it receives Coordination Services. If the ESCO rejects the Company's offer of conditional acceptance under this Rule, then its registration for Coordination Services shall be rejected.



Rule 3 - ESCO Eligibility & Compliance (continued)

**3.a.7 Rejection of Registrations**

Upon rejection of any registration, the Company shall provide the affected ESCO with Notice of rejection within ten (10) business days and shall state the basis for its rejection.

**3.a.8 Approval of Registrations**

Upon its approval of a registration for Coordination Services, or pursuant to an order of the Commission approving a registration, the Company shall (i) execute the Individual Coordination Agreement tendered by the ESCO; (ii) Notify the Commission of said agreement; (iii) provide one (1) to the ESCO within ten (10) business days; and (iv) maintain a copy for its own records.

**3.a.9 Identification Numbers**

Upon its approval of a registration for Coordination Services, the Company shall assign to the ESCO a supplier identification number to be used in subsequent EDI transactions between the ESCO and the Company. This number shall be consistent with the ESCO's Dunn & Bradstreet business number. In addition, the Company may also assign to the ESCO identification numbers that may be required by PJM in connection with the submission and/or confirmation of load schedules for serving load in the Company's service territory.

**3.a.10 Commencement of Coordination Services**

Coordination Services shall commence within fifteen (15) days after the Company's acceptance of an ESCO's registration for Coordination Services, only if the Company has received all of the information necessary for it to provide Coordination Services and any conditions required under Rule 3.a.6 have been satisfied by the ESCO.

**3.a.11 List of Eligible ESCOs**

The Company shall provide to the Commission, from time to time, a list of all ESCOs found to be eligible to provide Competitive Energy Supply.

Rule 3 - ESCO Eligibility & Compliance (continued)

**3.b Coordination Obligations**

**3.b.1 Provision of Coordination Services**

The Company shall provide all Coordination Services, as provided herein, necessary for the delivery of an ESCO's energy and/or capacity to serve the ESCO's retail Customers located within the Company's service territory.

**3.b.2 Timeliness and Due Diligence**

ESCOs shall exercise due diligence in meeting their obligations and deadlines under this Manual so as to facilitate the Retail Access Program.

**3.b.3 Duty of Cooperation**

The Company and each ESCO shall cooperate with each other to ensure delivery of Competitive Energy Supply to Customers as provided for by this Manual and the EDC Tariff.

**3.b.4 Eligibility**

Each ESCO shall obtain and maintain in good standing (i) its eligibility as an ESCO with the Company; (ii) its eligibility as an ESCO with the Commission and (iii) a certification as an LSE by PJM.

**3.b.5 Energy Procurement**

Each ESCO shall make all arrangements necessary for obtaining Competitive Energy Supply in a quantity sufficient to serve its Customers.

**3.b.6 PJM Services and Obligations**

Each ESCO shall procure those services provided by the PJM OI that are necessary for the delivery of Competitive Energy Supply. Each ESCO shall also satisfy all obligations which are imposed on LSEs in the PJM Control Area.

Rule 3 - ESCO Eligibility & Compliance (continued)

**3.b.7 Energy Scheduling**

Each ESCO shall make all arrangements necessary for scheduling the delivery of Competitive Energy Supply through the PJM OI.

**3.b.8 Reliability Requirements**

Each ESCO shall continuously satisfy prevailing reliability requirements issued, established, promulgated, ordered and/or directed by the Commission, or any other governing reliability council with jurisdictional authority over ESCOs.

**3.b.9 Determination of Load and Location**

The Company and each ESCO shall coordinate with the PJM OI to determine the magnitude and location of the ESCO's actual or projected load, as required by the PJM OI, for the purpose of calculating a Network Integration Transmission Service Reservation, an installed capacity obligation, unforced capacity obligations, or other requirements under the PJM Tariff or imposed by PJM.

**3.b.10 Supply of Data**

An ESCO and the Company shall supply to each other in a thorough and timely manner all data, materials or other information specified in this Manual, or otherwise reasonably required by the ESCO or Company in connection with the provision of Coordination Services.

Each ESCO shall exercise all reasonable efforts to be capable of supplying all data required by this Manual through Internet-based information exchange. In the event the ESCO is not capable of utilizing Internet-based information exchange, the ESCO may choose, after providing Notice to the Company, to maintain a mailbox on the Company's VAN (Value-Added Network) and the ESCO shall be responsible for all VAN charges. The ESCO shall execute and deliver to the Company all documents

Rule 3 - ESCO Eligibility & Compliance (continued)

reasonably requested by the Company to confirm (i) the ESCO's inability to use an Internet-based information exchange; (ii) the ESCO's intention to maintain a mailbox on the Company's VAN; and (iii) the ESCO's responsibility for paying all VAN charges.

**3.b.11 Communication Requirements**

Except for those ESCOs who have provided Notice to the Company in accordance with Rule 3.b.10, an ESCO shall, at all times it is receiving Coordination Services hereunder:

- (i) possess and operate Internet electronic mail (e-mail), including the capability to receive ASCII file attachments;
- (ii) possess and operate an Internet browser capable of accessing the Company Website and file uploads and downloads; and
- (iii) be capable of creating and receiving EDI transactions in accordance with the Electronic Data Exchange Standards referenced in Rule 10(e), as modified from time to time.

**3.b.12 Record Retention**

Each ESCO and the Company shall retain all records applicable to the ESCO Manual for the longest period of time required by any rules, regulations and orders, if any, of the Commission, PJM, Pa. P.U.C., and the New Jersey Board of Public Utilities.

**3.b.13 Payment Obligation**

Each ESCO acknowledges and agrees that the Company's provision of Coordination Services to an ESCO shall be contingent upon the ESCO's payment of all applicable Charges specified in this Manual.

Rule 3 - ESCO Eligibility & Compliance (continued)

**3.b.14 Data Exchange**

The Company and the ESCO shall comply with and adhere to the terms and requirements of the Electronic Data Exchange Standards specified in Rule 10(e), as modified from time to time.

Nothing in this Rule or Manual shall prohibit the Company from making available to ESCOs other electronic data in any manner or method other than the prevailing Electronic Data Exchange Standards. The Company shall not change the file formats of the non-EDI electronic data made available under this Rule without first providing each ESCO at least seven (7) days notice of such change via electronic mail and posting on the Website.

**3.c Withdrawal of ESCO from all Retail Service**

In the event an ESCO desires to cease participating in or otherwise withdraws from the provision of Competitive Energy Supply to all of its Customers in the Company's service territory, it shall provide a minimum of at least ninety (90) days Notice prior to the effective date of such withdrawal from Competitive Energy Supply to: (i) the Company; (ii) the Commission; and (iii) all of its affected Customers. The Individual Coordination Agreement between the ESCO and the Company shall terminate thirty (30) days following the date on which the ESCO has no more active Customers as determined by the Company.

**3.c.1 Costs for Non-Compliance**

Any ESCO that withdraws from the provision of Competitive Energy Supply under Rule 3.c and fails to provide at least ninety (90) days Notice as described above, shall reimburse the Company for any and all of the following costs associated with the withdrawal:

- (i) mailings by the Company to the ESCO's Customers to inform them of the withdrawal and their prospective Competitive Energy Supply options;

Rule 3 - ESCO Eligibility & Compliance (continued)

- (ii) non-standard/manual bill calculation and production performed by the Company;
- (iii) ESCO data transfer responsibilities that must be performed by the Company; and
- (iv) charges or penalties imposed on the Company by the NYPSC, PJM or other third parties resulting from ESCO's non-performance or non-compliance.

**3.d Termination**

**3.d.1 Effect of Termination**

The termination of an Individual Coordination Agreement shall have the same effect on an ESCO's Customers as the ESCO's discontinuance of supply to such Customers described in the EDC Tariff. If a Customer of a terminated ESCO has not switched to another ESCO prior to termination, said Customer shall return to PLR service pending its selection of another ESCO.

**3.d.2 Survival of Obligations**

The termination of an Individual Coordination Agreement for any reason shall not relieve the Company or an ESCO of any obligation accrued or accruing prior to such termination.

**3.e ESCO's Discontinuance of Customers**

**3.e.1 Notice of Discontinuance**

In the event an ESCO desires to withdraw from or discontinue the provision of Competitive Energy Supply to an entire specific class of Customers based on the Company's prevailing Service Classifications or a portion of the ESCO's Customers that is equal to or greater than 1, 000 kW on a single or combined basis, the ESCO shall provide a minimum of at least ninety (90) days Notice prior to the effective date of such withdrawal or discontinuance from Competitive Energy Supply to: (i) the Company; (ii) the Commission; and (iii) all of the ESCO's affected Customers.

Rule 3 - ESCO Eligibility & Compliance (continued)

In the event an ESCO decides to discontinue service to a single Customer for any reason including, without limitation, non-payment, breach of contract, or end of contract term, the ESCO shall (i) provide to the Customer a minimum of thirty (30) days Notice from the next scheduled meter reading date of the ESCO's intention to discontinue, including a list of other applicable ESCOs and (ii) send a drop request to the Company via the appropriate EDI transaction after the provision of Notice to the Customer.

An ESCO shall be responsible for the costs for non-compliance with the above-referenced Notice requirements in accordance with Rule 3.c.1 of this Manual.

**3.e.2 Effective Date of Discontinuance**

In the event the ESCO discontinues Competitive Energy Supply, for all purposes under this Manual the ESCO's discontinuance shall be effective on a Meter Read Date and in accordance with the ESCO switching Rules in this Manual and the EDC Tariff.

**3.f Liability**

**3.f.1 General Limitation on Liability**

The Company shall have no duty or liability with respect to Competitive Energy Supply before it is delivered by an ESCO to a point of delivery on the Company's distribution system. After its receipt of Competitive Energy Supply at the point of delivery, the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Energy Supply as to those receiving electric energy and capacity from the Company.

Rule 3 - ESCO Eligibility & Compliance (continued)

**3.f.2 Limitation on Liability for Service Interruptions and Variations**

The Company does not guarantee continuous, regular and uninterrupted 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 distribution system for the general good of the electric service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the distribution system. The Company shall not be liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.

**3.f.3 Additional Limitations on Liability in Connection with Retail Access**

Other than its duty to deliver electric energy and capacity, the Company shall have no duty or liability to an ESCO providing Competitive Energy Supply arising out of or related to a contract or other relationship between an ESCO and a Customer of the ESCO.

The Company shall have no liability to an ESCO providing Competitive Energy Supply arising out of or related to Customers switching ESCOs, except for demonstrated and proven negligent, intentional or willful misconduct or omission.

**4. Retail Access Procedures**

**4.a Program Notification**

Within in a reasonable period of time subsequent to the Commission's approval of the of the Company's Retail Access Program in an order not subject to appeals or other legal challenges, the Company shall Notify its Customers of their ability to choose an ESCO and participate in the Retail Access Program.



Rule 4 - Retail Access Procedures (continued)

**4.b Customer Consent Solicitation**

Subsequent to the Company Notifying Customers of their eligibility to select an ESCO, the Company shall request whether the Customer consents to the release of the information listed in Rule 4.c to all ESCOs (“Customer Information”). No Customer Information shall be provided to ESCOs for those Customers who do not consent. The Company shall also accept Customer authorization to release Customer Information periodically if an ESCO provides to the Company a copy of written documentation that the Customer has authorized the release of Customer Information to the ESCO.

**4.c Consenting Customer Information**

Within a reasonable time after receiving and compiling Customer consent forms, the Company shall develop and disseminate to all ESCOs a list containing the following information:

- (i) Company Customer Number
- (ii) Meter Read Cycle
- (iii) Customer Name
- (iv) Service Address
- (v) Service City
- (vi) Service State Zip
- (vii) Mailing Address
- (viii) Mailing City
- (ix) Mailing State Zip
- (x) Contact Name (applicable to industrial and large commercial Customers only)
- (xi) Contact Address (applicable to industrial and large commercial Customers only)
- (xii) Contact City, State, Zip (applicable to industrial and large commercial Customers only)
- (xiii) Service Classification
- (xiv) Service Classification Load Profile
- (xv) Registered Peak Demand (over last 12 months)
- (xvi) Load Factor
- (xvii) Annual kWh (number of months of usage, up to 12)
- (xviii) Capacity Obligation
- (xix) Transmission Obligation

The Company reserves the right to re-distribute the Customer Information to ESCOs at a later date, as necessary.

Rule 4 - Retail Access Procedures (continued)

**4.d. Notice of Enrollment Consent and Release of Information**

An ESCO shall Notify prospective and/or existing Customers that by signing up for Competitive Energy Supply with the ESCO, the Customer is consenting to the disclosure by the Company to the ESCO of certain basic information about the Customer, as defined by EDI standards. At minimum, the Notice shall inform the Customer that the following information shall be disclosed: the Customer's Company Customer Number; data about meter readings, Service Classification and electric usage; the Customer's address(es) and telephone number.

**4.d.1 Customer Consent Authorization**

The ESCO shall obtain appropriate authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of ESCO. The authorization shall include the Customer's acknowledgment that the Customer has received the Notice required by Rule 4.b. It is the ESCO's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission.

**4.d.2 Manner of Customer Consent**

An ESCO that enrolls a Customer in accordance with this Manual shall obtain and maintain written evidence of whether the Customer consents to the disclosure to such ESCO by the Company of Customer-specific information. The ESCO shall retain a record indicating whether the Customer consented to such disclosure. If the record is not in a hard copy format, but rather an electronic or computer record, the ESCO must be able to print or otherwise reproduce the record in hard copy.

Rule 4 - Retail Access Procedures (continued)

**4.e Electronic Enrollment and Company Response**

Competitive Energy Supply Transactions shall be conducted in accordance with the Electronic Data Exchange Standards as specified in Rule 10(e), as modified from time to time.

The ESCO shall provide an electronic EDI file to the Company indicating the Customer has selected the ESCO to provide Competitive Energy Supply. Upon receipt of the EDI file from the ESCO, the Company shall automatically confirm receipt of the file with an EDI response file. Within one (1) business day, the Company shall validate the records contained in the file, and shall provide an EDI validation, including the reason for any rejections. Such validation also shall include information an ESCO can use to identify rejected records. If the Company receives Customer Enrollment from more than one (1) ESCO, the ESCO Enrollment containing the most current contract date shall be accepted by the Company and all other ESCO Enrollments will be rejected.

**4.f Customer Enrollment Confirmation**

The Company shall send, within one (1) business day from receipt of the ESCO enrollment file indicating Customer selection of an ESCO, a confirmation letter to all Customers who have made an ESCO selection. This letter shall include Notification of a ten (10) day waiting period during which the Customer may rescind its selection of an ESCO. The confirmation letter shall include the Customer's Name, Address, Company Customer Number, selected ESCO, selected billing option (e.g., 1-bill, 2-bills), service effective date and initial billing date. The waiting period shall begin on the day the letter is mailed to the Customer by the Company. If the ten (10) day waiting period expires, and the Customer has not contacted the Company to dispute the ESCO selection, the ESCO shall become the ESCO of record for Competitive Energy Supply for that Customer. If the Customer elects to rescind its ESCO selection, the Company shall Notify the rejected ESCO, electronically via EDI. In the event the Customer rescinds its ESCO selection after the ten (10) day waiting period, the Customer shall be advised that the rescinding period has expired and a switch must be requested via the normal ESCO selection process.

Rule 4 - Retail Access Procedures (continued)

The ESCO selection shall be effective as of the Customer's next scheduled Meter Read Date and the ESCO shall become the ESCO of record for delivery provided that: (i) the Company has received at least sixteen (16) days prior Notice from the ESCO and all Customer Information provided to the Company is accurate and complete; (ii) the 10-day waiting period has expired; and (iii) the Customer has not contacted the Company to dispute the ESCO selection.

**4.g Synchronous Lists**

On a quarterly basis, the Company shall provide to an ESCO a list of the following information, which the ESCO may use to compare or synchronize to their own records:

- (i) Company Name
- (ii) Capacity Peak Share
- (iii) Transmission Peak Share
- (iv) ESCO Name
- (v) Customer Number
- (vi) ESCO Account Number
- (vii) Contract Start Date
- (viii) Contract End Date
- (ix) Termination Reason
- (x) Tax Exempt Percentage
- (xi) Bill Method
- (xii) Rate Category

**4.h Switching**

The Notice and Manner of Consent for switching ESCOs or switching from an ESCO to the Company is the same as described in Rule 4.d. Once the switching process is complete, the Company shall Notify the Customer's prior ESCO of the discontinuance of service to the Customer from that prior ESCO. If a Customer contacts a new ESCO to request a change of ESCO and the new ESCO agrees to serve the Customer, the Customer's new ESCO shall obtain appropriate authorization and follow the enrollment process.

Rule 4 - Retail Access Procedures (continued)

**4.i Return to PLR Service**

If a Customer contacts the Company to request a change from an ESCO to the Company's PLR Service, the Company shall process the request as outlined herein. The Company shall send the Customer a confirmation letter Notifying the Customer of the right to rescind. If the Customer does not contact the Company within ten (10) days of the date on the confirmation letter, the Company shall complete the request. The request shall be effective as of the next scheduled Meter Read Date and the Company shall provide PLR Service to the Customer provided that: (i) the Company has received at least sixteen (16) days prior Notice from the Customer; (ii) the ten (10) day waiting period has expired; and (iii) the Customer has not contacted the Company to rescind or dispute the switch to PLR Service. Minimum contract terms shall be applicable and are identified in each Service Classification listed in the Waverly EDC Tariff. The Company shall Notify the Customer's prior ESCO of the discontinuance of Competitive Energy Supply to the Customer from that prior ESCO. Nothing contained in this Manual shall result in discontinuance of generation service to a Customer in the event of default by the Customer's ESCO.

**4.j Customer Relocation**

If a Customer contacts the Company to discontinue electric service at the Customer's then-current location and initiates a request for service at a new location in the Company's service territory, the Company shall notify the current ESCO, via EDI file, of the Customer's discontinuance of service for the account at the Customer's old location and provide a forwarding address, if available. The Customer shall follow the procedures under Rule 4 to obtain Competitive Energy Supply available at the new location.

If a Customer contacts the Company to discontinue electric service and indicates that the Customer shall be relocating outside of the Company's service territory, the Company shall Notify the current ESCO, via EDI file, of the Customer's discontinuance of service for the account at the Customer's location. If available, the Company shall provide the ESCO that served the Customer at the old location with the Customer's new mailing address or forwarding address.

Rule 4 - Retail Access Procedures (continued)

**4.k Provisions Relating to an ESCO's Customers**

**4.k.1 Arrangements with Customers**

ESCOs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement the Retail Access Program consistent with all applicable laws, Commission requirements and this Manual. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

**4.k.2 Transfer of Cost Obligations Between ESCOs and Customers**

Nothing in this Manual is intended to prevent an ESCO and a Customer from agreeing to reallocate between them any Charges that this Manual imposes on the ESCO, provided that any such agreement shall not change in any way the ESCO's obligation to pay such Charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the ESCO's Customer(s) for any Charges owed to the Company by the ESCO.

**4.k.3 Customer Obligations**

Notwithstanding the terms of this Manual, Customers of an ESCO remain bound by the rules and requirements of the applicable EDC Tariff and Service Classification under which they receive electric service from the Company.

**4.l Company Referral**

If a Customer, or person authorized to act on the Customer's behalf, contacts the Company via telephone or mail to select an ESCO, the Company shall direct the Customer to contact that ESCO and shall provide the telephone number of the ESCO to the Customer, if required. The ESCO shall verify whether it shall serve the Customer and follow the process outlined in Rule 4.d.

## **5. Confidentiality of Information**

### **5.a General**

All Company information available to an ESCO in connection with the provision of Coordination Services including, but not limited to, Service Classification load profile data, and information regarding the Company, computer and communications systems shall not be disclosed by an ESCO to third parties without appropriate authorization and/or consent from the Company. The Company shall be under no obligation to provide such authorization or consent.

### **5.b Customer Information**

The ESCO shall keep all Customer-specific information supplied by the Company confidential unless the ESCO has the Customer's written authorization to do otherwise.

## **6. Billing**

### **6.a Billing to Customers**

#### **6.a.1 Dual Billing**

The Company shall render to the Customer a separate bill for Company charges and the ESCO shall render a separate bill to the Customer for its charges. The Company shall transmit meter data (e.g. meter reads, consumption, demand and type of reading), via EDI, to the ESCO within one (1) business day after the Meter Read Date.

#### **6.a.2 Consolidated EDC Billing - Rate Ready Option**

The Company shall render a Consolidated EDC Bill monthly to the Customer in the Company's prevailing standard format as shown on the Company's Website and attached hereto as Rider E.

The Company shall transmit meter data (e.g. meter reads, consumption, demand, dates and type of reading) to the ESCO.

Rule 6 - Billing (continued)

The ESCO shall provide the Company with rate calculations according to guidelines and in a format to be determined by the Company. The Company shall calculate its Charges and shall bill rate structures offered by the ESCO which are based on fixed and variable charges similar to those the Company employs for billing distribution service and PLR service. The Company shall include ESCO charges separately stated on the bill.

In the event the ESCO desires to include additional ESCO charges on the EDC Consolidated Bill, the Company may consider such a request and may develop with the ESCO an appropriate fee schedule for inclusion of such additional charges.

**6.a.3 Consolidated EDC Billing - Bill Ready Option**

The Company shall render a Consolidated EDC Bill monthly to the Customer in the Company's prevailing standard format as shown on the Company Website and attached hereto as Rider E.

The Company shall transmit meter data (e.g., meter reads, consumption, demand, dates and type of reading) to the ESCO. The ESCO shall calculate its Customers' charges and shall send that data, including date of billing period, and any supporting text the ESCO deems necessary ("ESCO Charges") to the Company via EDI, within the technical limitations specified hereinafter.

In the event the ESCO desires to include additional ESCO charges on the EDC Consolidated Bill, the Company may consider such a request and may develop with the ESCO an appropriate fee schedule for inclusion of such additional charges.

The Company shall provide the ESCO up to two lines, each 80 characters in length, on its standard bill for messages directly related to the calculation or understanding of the ESCO portion of the bill.

The Company shall create and forward a monthly usage file to the ESCO which shall include the date and time of creation. The ESCO shall return to the Company an EDI file with the ESCO's charges. The Company's currently prevailing standard times for forwarding usage files to ESCO's are 07:10, 15:10 and 23:45. The Company's



Rule 6 - Billing (continued)

currently prevailing standard times for retrieving ESCO charges are 09:05, 11:05, 13:05 and 16:05. The Company's currently prevailing standard times for forwarding and retrieval of files may be modified from time to time, in the Company's sole and exclusive discretion, and the Company shall provide timely Notice to all eligible ESCOs of such modifications.

In order for the ESCO's charges to be placed on the current monthly bill, the ESCO shall forward such charges for Company retrieval by no later than the last retrieval time up to seventy-two (72) hours after the Company creates the usage file. The seventy-two (72) hours shall not include the time period between midnight Friday and midnight Sunday and Company holidays.

For example, under the Company's currently prevailing standard times for forwarding and retrieval of files, if a Company usage file is created at 17:00 on Thursday, the ESCO must return its Charges to the Company by no later than 16:05 on the following Tuesday.

If the ESCO charges are not received by the Company within the time described above, the Company shall place the ESCO Charges into the next billing cycle and the delayed ESCO Charges shall appear on each ESCO's Customers' bill the following month. The Customer's bill for the current billing period shall state that the ESCO Charges for the current billing period are not available. The due date is established for ESCO Charges when ESCO Charges appear on the Consolidated Bill.

**6.a.4 Consolidated EDC Bill - Rules Applicable to Both Rate Ready and Bill Ready Options**

The Company and the ESCO shall follow the timetable for the transmission of meter data and billing charges in accordance with the EDI standards and as outlined above in Rule 6.a.3.

The Company shall collect the ESCO's Customer payments and shall process them in accordance with Rule 15 and Rule 16 of the Company's EDC Tariff.

Rule 6 - Billing (continued)

**6.a.4.a ESCO Payment Schedule**

The Company shall apply all Customer payments, first to Company charges, past due and current, then to ESCO charges, past due and current. The payments to the ESCO shall be made five (5) business days after the Customer payment is posted to the account. The Company shall send a notice of Customer payment to the ESCO via EDI within one (1) day of payment posting.

The Company shall make payments of funds payable to the ESCO by ACH (the banking Automated Clearing House) with remittance advice to a bank designated by the ESCO.

**6.a.5 Levelized Billing**

The Company shall provide to Customers a levelized billing option for its charges. If an ESCO does not offer levelized billing the following process shall apply:

If Rate Ready:

- (i) The Company calculates current ESCO Charges
- (ii) Company places ESCO current charges on the Company bill
- (iii) Company sends bill to Customer
- (iv) Customer pays the Company levelized charges and ESCO current charges
- (v) Company pays ESCO within five (5) business days of posting the Customer payment to the account

If Bill Ready:

- (i) The ESCO transmits its current charges to the Company
- (ii) Company places ESCO current charges on the Company bill
- (iii) Company sends bill to Customer
- (iv) Customer pays the Company levelized charges and ESCO current charges
- (v) Company pays ESCO within five (5) business days of posting the Customer payment to the account

Rule 6 - Billing (continued)

If an ESCO does offer a levelized billing option the following process shall apply only to the Bill Ready option:

- (i) ESCO transmits its levelized charges to the Company
- (ii) Company places the levelized charges on the Company bill in the current charges field
- (iii) Company sends bill to Customer
- (iv) Customer pays the Company levelized charges and ESCO levelized charges
- (v) Company pays ESCO within five (5) business days of posting the Customer payment amount

**6.a.6 Basis of Customer Billing**

Bills to Customer shall be based on the EDC's defined meter reading schedule.

**6.a.7 Billing Dispute Processes**

**6.a.7.a Residential and Non-Residential Dispute Process**

The Company shall process all billing disputes in accordance with the prevailing Commission policies, rules and regulations, if any. The Company, as the entity responsible for the consolidated bill, must coordinate with the ESCO so that a proper investigation of a Customer billing dispute is conducted and completed within the time period prescribed, for residential disputes, and that the Customer and the ESCO (if the ESCO is involved in the dispute) are informed of the results of the investigation. The ESCO shall provide all information needed by the Company relating to the Customer's dispute within five (5) business days of the Company's request.

**6.a.8 Bill Collection Practices for Consolidated EDC Billing**

The Company shall follow its current credit and collection policies for Customer arrearages or outstanding balances. Outstanding ESCO balances are not transferred when a Customer switches from one ESCO to another, or switches from an ESCO to the Company.

Write-offs of an ESCO balance shall occur forty-five (45) days after the due date of the last bill for that ESCO and shall be communicated via EDI to the ESCO.

Rule 6 - Billing (continued)

**6.a.9 Tax Responsibility**

The Company shall not be responsible for paying or remitting to any governmental body, on behalf of an ESCO, any applicable taxes.

**6.a.10 Sales Tax Exemption**

With respect to Customers receiving a combined bill from the Company under the Rate Ready Option described in Rule 6.a.2, the ESCO for which the Company is billing shall provide to the Company the applicable sales tax exemption percentage in accordance with EDI standards. The Company shall use the sales tax exemption percentage provided by the ESCO for billing the ESCO's charges. The ESCO shall retain appropriate exemption certificates and is liable for the collection and remittance of sales tax on its charges.

With respect to Customers receiving a bill under the EDC Consolidated Bill - Bill Ready Option, the ESCO shall include the appropriate sales tax on its bill.

**6.a.11 ESCO Taxes Other Than Sales Taxes**

For all ESCO billing under this Manual, each ESCO shall include in its charges to its Customers the applicable and prevailing NY State Gross Revenue Tax and the NY State Income Tax. In the event other taxes become applicable to Competitive Energy Supply in the State of New York - other than Sales Tax - each ESCO shall include in its charges to its Customers all such applicable and prevailing taxes.

**6.b ESCO Billing**

**6.b.1 ESCO Payment of Obligations to the Company**

An ESCO shall pay all Coordination Services Charges or any other Charge it incurs hereunder (including, without limitation, late fees, administrative support, etc.) in accordance with the following provisions:

**6.b.1.a Billing Procedure**

Each month, the Company shall submit an invoice to the ESCO for all Coordination Services Charges provided under this Manual. The invoice may be transmitted to the ESCO by any reasonable method or as requested by the ESCO. An ESCO shall pay the Company for Charges incurred on or before

Rule 6 - Billing (continued)

the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) days from the date of transmittal of the bill.

**6.b.1.b Billing Corrections and Estimated Billings**

Notwithstanding anything stated herein, bills shall be subject to adjustment for any errors in arithmetic, computation, meter readings, estimating or other errors for a period for six (6) months from the date of such original monthly billing.

**6.b.1.c Manner of Payment**

The ESCO may make payments of funds payable to the Company by wire transfer to a bank designated by the Company. The Company may require an ESCO that is no longer creditworthy, as determined by the Company's sole judgment, to tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or other immediately available funds. If a dispute arises regarding the Company's bills to an ESCO, the ESCO shall pay the undisputed portion of disputed bills under investigation.

**6.b.1.d Late Fee for Unpaid Balances**

If payment is made by the ESCO to the Company after the due date shown on the bill, a late fee shall be added to the unpaid balance until the entire bill is paid. This late fee shall be two percent (2%) per month on the unpaid balance.

**6.b.2 Billing for ESCO Obligations to Other Parties**

The Company shall assume no responsibility for billing between an ESCO and PJM, an ESCO and any energy source, or a Scheduling Coordinator and any Coordinated Suppliers.

**6.b.3 Load Data Supply Charge**

The Company shall fulfill, with Customer consent only, a request for Customer load information available on its electronic information system once per calendar year for no charge. The Company shall provide additional or other information available from

Rule 6 - Billing (continued)

its electronic information system, with Customer consent to the Company, in accordance with the following fee schedule:

An ESCO shall pay the charges stated below for each request to the Company for information:

- (i) All available historic load information for a Customer, other than electronically available historic hourly load information - \$106.00 per hour;
- (ii) Any electronically available load data for a Customer, in which the Company has already provided such data to an ESCO once for no charge shall be billed at the rate of \$53.00 per hour or portion thereof; and
- (iii) All available 15 minute interval data for a Customer, up to 12 months, shall be billed at the rate of \$40.00 (Forty Dollars) for each request and is available electronically or by mail.

No Customer-specific information shall be supplied to an ESCO before the Company's receipt of a Customer's authorization to release such data to such ESCO. Such authorization shall comply with any applicable Commission-approved authorization standards.

**7. Determination and Settlement of Energy, Capacity and Transmission Obligations**

This Rule is subject to modification or revision to reflect any relevant changes implemented by PJM.

The ESCO shall (i) adhere to any and all applicable operational requirements of PJM and the Company necessary to protect the integrity of the transmission system within the PJM Control Area, transmission systems of interconnected control areas, and the Company's local distribution system and (ii) satisfy any and all PJM, MAAC and NERC criteria, where applicable.

The Company and ESCO agree that the methodology used to determine an ESCO's Customers peak load shares shall adhere to the following principles: (i) the sum of all individual Customer peak load shares in a zone should equate to the zonal peak load contributions utilized in the PJM determination of the zonal obligations for capacity and Network Integration Transmission Service, adjusted for contributions associated with Customer turnover, or such methodology as may change from time to time to comply with

Rule 7 - Determination and Settlement of Energy, Capacity and Transmission  
Obligations (continued)

applicable PJM rules; and (ii) the allocation for a particular Customer should be independent of whether that Customer is being served by the Company or the ESCO.

The ESCO shall provide to the Company any and all necessary data required by the Company to assure integrity of the load obligation calculation process.

**7.a Load Profiling**

The Company and the ESCO recognize that the hourly metering of certain Customers may not be economically feasible. In order to enhance the opportunity to sell Competitive Energy Supply to these types of Customers, the Company shall provide the ESCO with historical load research data by rate schedule. The load research information may be updated throughout the duration of the Individual Coordination Agreement at the Company's sole and exclusive discretion. Updated load profiles shall be made available to the ESCO when available. Although the Company believes the information is accurate and correct to the best of the Company's knowledge and belief, for its originally-intended purposes, the Company makes no representations or warranties as to the accuracy or usefulness of the information provided and shall have no responsibility for, or liability associated with, the ESCO's use of the information. The Company shall use load research information as needed in the determination of the ESCO's load obligations, including energy, capacity and transmission obligations under the PJM OATT.

The Company's load profiling methodology is filed with the FERC as Exhibit B of each of the GPU Energy Procedure Manual for Determination of Supplier Total Hourly Energy Obligation Commencing June 1, 1999 and the GPU Energy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999.

**7.b Updates to Typical Load Profile Data**

The Company shall review periodically its load profiling methodology and algorithms, and shall update the load profile data as needed.

**7.c Load Obligations**

The Company and the ESCO acknowledge that the ESCO's Customers are within the Company's service territory and that metered Customer loads must be translated into

Rule 7 - Determination and Settlement of Energy, Capacity and Transmission  
Obligations (continued)

ESCO load allocations in order for Load Serving Entities to meet their PJM obligations. These load obligations include, but are not limited to, energy, capacity and transmission obligations under the PJM OATT.

**7.c.1 Energy**

The procedures for developing and transmitting load obligations for the ESCO's hourly energy are described in the prevailing GPU Energy Procedure Manual for Determination of ESCO Total Hourly Energy Obligation Commencing June 1, 1999, incorporated herein by reference, as amended from time to time in the Company's sole and exclusive discretion.

**7.c.2 Capacity and Transmission**

The procedures for developing and transmitting (i) the ESCO's peak load contribution to be used by PJM to determine the ESCO's capacity obligations and (ii) the peak load contribution based upon which the ESCO shall meet its obligations under the PJM OATT are described in the prevailing GPU Energy Procedure Manual for Determination of ESCO Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, incorporated herein by reference, as modified by the Company from time to time in its sole and exclusive discretion, and as may be provided by the Company and/or posted on the Company Website.

**7.d Energy Scheduling**

The Company shall not provide load forecasting services to ESCOs. The ESCO is responsible for forecasting its Customer load, and shall schedule energy resources to meet its obligations with PJM as provided for in the PJM agreements, procedures, and manuals. The Company shall provide PJM and the ESCO with the data regarding the ESCO's energy obligations for the ESCO's Customers, as described in the prevailing GPU Energy Procedure Manual for Determination of ESCO Total Hourly Energy Obligation Commencing June 1, 1999, as it may be modified by the Company from time to time in its sole and exclusive discretion.

**7.e System Losses**

For purposes of ESCO load calculations, the combined transmission and distribution line losses shall be calculated by multiplying hourly kWh sales delivered to Customer(s) served



Rule 7 - Determination and Settlement of Energy, Capacity and Transmission  
Obligations (continued)

at these voltage levels by the applicable loss factor. The applicable loss factors are:

LOSS FACTORS

<u>Service Classification</u>	<u>Loss Factor</u>
Service Classification No. 5	1.0407
Service Classification No. 4	1.0606
All other Service Classifications	1.0945

The Company reserves the right to revise these factors from time to time to reflect changes in system line losses. The Company shall revise these line loss factors if the PJM imposes or changes any separate charges on the Company's transmission Customers for the level of line losses that is included in these factors. Any revision shall be filed with the FERC and the Commission, provided to ESCOs via Internet electronic mail and posting on the Company's Website, and shall become effective thirty (30) days after filing unless otherwise ordered by the Commission or the FERC. The Company shall file any such revision and propose that it becomes effective concurrently with any change in or imposition of separate PJM line loss charges.

**7.f Utilization of Scheduling Coordinators**

**7.f.1 Participation Through a Scheduling Coordinator**

An ESCO may become a Coordinated Supplier by entering into a business arrangement with another ESCO, person or entity that shall act as a Scheduling Coordinator.

**7.f.2 Designation of a Scheduling Coordinator**

To designate a Scheduling Coordinator, an ESCO shall provide the Company with a completed Scheduling Coordinator Designation Form, included as Rider B hereto, fully executed by both the ESCO and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between an ESCO and a Scheduling Coordinator.

Rule 7 - Determination and Settlement of Energy, Capacity and Transmission  
Obligations (continued)

**7.f.3 Change In or Termination of Scheduling Coordinator**

To change a Scheduling Coordinator, or cease using a Scheduling Coordinator, an ESCO shall provide Notice to the Company specifying the effective month of the change or termination. The effective date of the change or termination shall be the first date of the month indicated in the Notice unless Notice is received by the Company less than ten (10) business days before the first day of that month, in which case the effective date of the change shall be the first day of the subsequent month. In the event an ESCO ceases using a Scheduling Coordinator, an ESCO shall immediately resume the direct performance of all ESCO obligations previously performed by the Scheduling Coordinator under this Manual.

**7.f.4 Load Scheduling Through a Scheduling Coordinator**

A Coordinated Supplier can neither submit individual load schedules to the PJM OI nor propose scheduling changes on an individual basis. The Scheduling Coordinator shall submit all schedules and changes thereto on behalf of its Coordinated Supplier.

**7.f.5 Obligations of a Coordinated Supplier**

Notwithstanding its designation of a Scheduling Coordinators, each and every ESCO remains responsible for fully satisfying the requirements and obligations of this Manual.

**7.g Reconciliation and Settlement**

The reconciliation and settlement of the ESCO's obligations as an LSE shall be accomplished in accordance with the prevailing GPU Energy Procedure Manual for Determination of Total Hourly Energy Obligation Commencing June 1, 1999 and the prevailing GPU Energy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, as it may be modified by the Company from time to time, in its sole and exclusive discretion, and also in accordance with the PJM agreements, procedures, and manuals.

Rule 7 - Determination and Settlement of Energy, Capacity and Transmission  
Obligations (continued)

**7.h Partial Retail Access Prohibited**

A Customer at a single metered location purchasing Competitive Energy Supply from an ESCO may not simultaneously purchase energy and capacity from the Company.

**7.i Purchase of Energy and Capacity From Multiple ESCOs**

A Customer may not choose to receive Competitive Energy Supply from more than one (1) ESCO.

**8. Events of Default; Remedies**

**8.a Events of Default**

The following shall constitute events of default in respect to any entity that has any duties or responsibilities under this Manual (the "Defaulting Party"):

- a) failure to observe any material terms or conditions of this Manual including, without limitation, any Rule, Charge or Rider thereof;
- b) an ESCO's failure to maintain its eligibility as an ESCO or its license or certification as an LSE by PJM;
- c) an ESCO's failure to make, when due, any payment required pursuant to this Manual, provided the payment is not subject to a good faith dispute as described herein;
- d) the involuntary bankruptcy/insolvency of the ESCO including, but not limited to, the appointment of a receiver, liquidator or trustee of the ESCO, or a decree by such a court adjudicating the ESCO bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy or to reorganize the ESCO; or
- e) an ESCO's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limiting the generality of the foregoing, an ESCO admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

Rule 8 - Events of Default; Remedies (continued)

**8.b Remedies**

- (1) Upon the occurrence any an event described in 8.a, to the extent the party/entity not in default (the “Non-Defaulting Party”) has actual knowledge of the occurrence of such Event of Default, it shall provide prompt Notice thereof to the Defaulting Party. Such Notice shall set forth in reasonable detail the nature of the default, the steps necessary to cure such default and demanding such cure. The Defaulting Party shall have thirty (30) days after its receipt of such Notice from the Non-Defaulting Party to cure such default or, if circumstances warrant, to commence the cure of the default and proceed to cure with due diligence and dispatch.
- (2) If the Defaulting Party fails to cure such default or take such steps as described above, the Individual Coordination Agreement may be terminated by the Non-Defaulting Party without any liability or responsibility whatsoever, by Notice to the Defaulting Party.
- (3) Upon the occurrence of any Default, the Non-Defaulting Party not in Default shall be entitled to (i) commence an action to require the party in Default to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, (ii) seek appropriate damages; and/or (iii) exercise such other rights and remedies as it may have in equity or at law.
- (4) Notwithstanding the foregoing and in addition to all of the rights and remedies in equity or at law, the Non-Defaulting Party shall be entitled to set off against any amounts due and payable to the Non-Defaulting Party from the Defaulting Party.

**9. Alternative Dispute Resolution**

**9.a Informal Resolution of Disputes**

The Company and ESCO (for purposes of this Rule and Rule 10, the “parties”, or individually as a “party”) shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Manual and/or the conduct of Coordination Activities hereunder. The ESCO’s point of contact with the Company for all information, operations, questions, and problems regarding Coordination Activities is specified in Rule 10.f.

Rule 9 - Alternative Dispute Resolution (continued)

**9.b Internal Dispute Resolution Procedures**

Any dispute between the Company and an ESCO under this Manual or an Individual Coordination Agreement shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon) such dispute, by mutual agreement, may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**9.c External Arbitration Procedures**

If the amount in dispute is \$500,000 or less, the arbitration initiated under this Manual or any Individual Coordination Agreement shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration, the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. If the amount in dispute exceeds \$500,000, each party shall choose one (1) neutral arbitrator who shall sit on a three (3) member arbitration panel. The two (2) arbitrators so chosen shall within twenty (20) days of their selection, select a third arbitrator to chair the arbitration panel. In any case, the arbitrators chosen shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. Either party may terminate its participation in the Arbitration procedures at any stage and proceed under Rule 9.e below.

**9.d Arbitration Decisions**

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Manual and any Individual Coordination Agreement and shall have no power to modify or change any provisions in any manner.

Rule 9 - Alternative Dispute Resolution (continued)

**9.e Resort to Litigation**

If any claim or dispute arising under this Manual or an Individual Coordination Agreement is not resolved pursuant to the arbitration procedures listed above, either party may, upon giving the other party at least ten (10) days Notice, may initiate litigation to submit such claim or dispute for decision by a court of competent jurisdiction in the State of New York in accordance with the laws of the State of New York.

**9.f Costs**

Each party shall be responsible for its own costs incurred during either the arbitration or litigation process and, if applicable:

- (a) the cost of the arbitrator chosen by the party to sit on the three member panel and a proportionate share of the cost of the third arbitrator chosen;
- (b) a proportionate share of the cost of the single arbitrator jointly chosen by the parties; or
- (c) any litigation costs and expenses incurred pursuant to Rule 9.e.

**9.g Rights Under the Federal Power Act**

Nothing in this Rule shall restrict the rights of any party to file a complaint or other pleading with FERC under relevant provisions of the Federal Power Act.

**9.h Rights Under the New York Public Service Law**

Nothing in this Rule shall restrict the rights of any party to file a complaint or other pleading with the Commission under relevant provisions of the New York Public Service Law.

**10. Miscellaneous**

**10.a No Prejudice of Rights**

The failure by either the Company or the ESCO to enforce any of the terms of this Manual or any Individual Coordination Agreement shall not be deemed a waiver of the right of either to do so.

Rule 10 - Miscellaneous (continued)

**10.b Gratuities to Employees**

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on the Company's time. The ESCO agrees not to offer or provide any such personal compensation or gifts at any of the Company's employees for any purpose at any time.

**10.c Assignment**

**10.c.1 Assignment Consent**

An Individual Coordination Agreement hereunder may not be assigned by either the Company or the ESCO without (i) any necessary regulatory approval and (ii) the written consent of the other party, which consent shall not be unreasonably withheld.

**10.c.2 Assignment Binding**

Any assignment occurring in accordance with Rule 10.d.1 hereunder shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Individual Coordination Agreement.

**10.d Governing Law**

To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Manual or any Individual Coordination Agreement shall be governed by the laws of the State of New York.

The Manual or any Individual Coordination Agreement, and the performance of the parties' obligations thereunder, is subject to and contingent upon (i) present and future local, state and federal laws, and (ii) present and future regulations or orders of any local, state or federal regulating authority having jurisdiction over the matter set forth herein.

Rule 10 - Miscellaneous (continued)

### **10.e Tariff and Operating Procedure References**

The following documents are referenced herein and shall be deemed a part of this Manual:

GPU Energy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, located at <http://www.gpu.com>

GPU Energy Procedure Manual for the Determination of Supplier Total Hourly Energy Obligation Commencing on June 1, 1999, located at <http://www.gpu.com>

Pa. P.U.C. - Electronic Data Exchange Standards for Deregulation in the Commonwealth of Pennsylvania, Revised Plan Version 2.3, November 22, 1999, located at <http://puc.paonline.com>

### **10.f Contacts**

The following is a list of Company employees and contact people for purposes of all activities conducted under this Manual:

GPU Energy Contacts:

#### Supplier Contacts

Mailing address:  
GPUE Choice Initiatives  
P.O. Box 16001  
Reading, PA 19640-0001

Street address:  
GPUE Choice Initiatives  
2800 Pottsville Pike  
Reading, PA 19612

Supplier Hotline Phone: (610) 921-6171  
Fax: (610) 921-6256

Supplier Email [Supplier@gpu.com](mailto:Supplier@gpu.com) (include name, company, and phone number)



Rule 10 - Miscellaneous (continued)

EDI Coordinator	Pete Byrne Phone: (610) 939-4EDI (4334) Email: pbyrne@gpu.com
EDI Certification Testing	Bruce Balthaser Phone: (610) 939-8756 Email: <a href="mailto:bbalthaser@gpu.com">bbalthaser@gpu.com</a>
GPU Website	<a href="http://www.gpu.com">www.gpu.com</a>
Residential Customer Contacts	1-888-478-2300 Hours: 8 am - 8 p.m. (Monday-Friday)  Email: Choice@gpu.com  Address: Rt. 183 & Van Reed Rd P.O. Box 15152 Reading PA 19612-5152
Business Resource Center (including customer usage information)	Phone: 1-800-543-4655 Fax: 1-610-396-8523 Email: PARC@gpu.com
Customer Dispute Resolution (to be contacted by suppliers only/no customers)	Contact Person: Supplier Hotline Phone: 1-610-375-5171 or Email: Supplier@gpu.com
PJM Web Site	<a href="http://www.pjm.com">www.pjm.com</a>
PJM Customer Service	610-666-8980 or <a href="mailto:custsvc@pjm.com">custsvc@pjm.com</a>
Pa. P.U.C. Consumer Advocate	Phone: 1-800-684-6560
NYPSC	Phone: 1-518-474-7080
NYPSC Website	<a href="http://www.dps.state.ny.us">http://www.dps.state.ny.us</a>

**RIDER A**  
**INDIVIDUAL COORDINATION AGREEMENT RIDER**

- 1.0 This Individual Coordination Agreement (“Agreement”), dated as of \_\_\_\_\_ is entered into, by and between Pennsylvania Electric Company, doing business as GPU Energy (the “Company”) and \_\_\_\_\_ (“ESCO”)(hereinafter collectively referred to as the “Parties” or individually as a “Party”).
- 2.0 The Company agrees to supply, and the ESCO agrees to have the Company supply, all “Coordination Services” specified in the Energy Service Company Coordination Manual (“ESCO Coordination Manual”). Both Parties agree that such services are necessary to coordinate the delivery of Competitive Energy Supply to Customers located within the Company’s service territory.
- 3.0 The ESCO Coordination Manual is incorporated herein by reference and made a part hereof. All capitalized terms used in this Agreement that are not otherwise defined shall have the meaning provided in the ESCO Coordination Manual.
- 4.0 Representations and Warranties.
- (a) The ESCO hereby represents, warrants and covenants as follows:
- (i) The ESCO is a member of PJM and is in compliance, and shall continue to comply either directly or through the ESCO’s Scheduling Coordinator, with all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs serving Customers located in the PJM Control Area and the prevailing GPU Energy Procedure Manual for

Rider A - Individual Coordination Agreement Rider (continued)

Determination of Supplier Total Hourly Energy Obligation Commencing June 1, 1999 and GPU Energy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999; and

(ii) The ESCO is licensed by the NYPSC to provide Competitive Energy Supply to Customers in New York and has and shall continue to satisfy all other NYPSC requirements applicable to ESCOs.

(b) The Company and the ESCO warrant and covenant as follows:

(i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and shall not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.

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

Rider A - Individual Coordination Agreement Rider (continued)

- 4.0 The ESCO shall provide Notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the ESCO learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.
- 5.0 As consideration for Coordination Services provided by the Company, the ESCO shall pay the Company those Coordination Services Charges billed to the ESCO in accordance with the terms and conditions of the ESCO Coordination Manual.
- 6.0 Upon the ESCO's request, the Company may, in its sole discretion, provide (i) administrative support services including, but not limited to, basic instruction on the Company Website; assistance in normal business interactions, rate design and modeling; and standard processing of ESCO data files and (ii) technical support and assistance including, but not limited to, answering ESCO's questions and research requests. The administrative support fee shall be \_\_\_\_\_ up to five (5) hours of administrative support each month. Any administrative support in excess of five (5) hours per month shall be \_\_\_\_\_ per hour. The technical support and assistance fee shall be \_\_\_\_\_ per hour.
- 7.0 Coordination Services between the Company and the ESCO shall commence on \_\_\_\_\_.
- 8.0 Any Notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

Rider A - Individual Coordination Agreement Rider (continued)

To: \_\_\_\_\_  
Pennsylvania Electric Company, doing business as GPU Energy:

Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet E-Mail: \_\_\_\_\_

To the ESCO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet E-Mail: \_\_\_\_\_

Rider A - Individual Coordination Agreement Rider (continued)

**IN WITNESS WHEREOF**, and intending to be legally bound thereby, Pennsylvania Electric Company and the ESCO identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

\_\_\_\_\_

By: \_\_\_\_\_  
Name Title Date

\_\_\_\_\_

By: \_\_\_\_\_  
Name Title Date

**RIDER B**  
**SCHEDULING COORDINATOR DESIGNATION FORM RIDER**

1.0 This Scheduling Coordinator Designation Form, dated \_\_\_\_\_, is being submitted to Pennsylvania Electric Company, doing business as GPU Energy ( the “Company”) by the following Energy Service Company (“ESCO”):

\_\_\_\_\_

2.0 By submitting this form, the ESCO hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with Rule 9 of the Company’s Energy Service Company Coordination Manual (the “ESCO Coordination Manual”):

\_\_\_\_\_

3.0. The ESCO further notifies the Company that it is designating the person identified in the preceding paragraph as its Scheduling Coordinator for the specific purpose(s) (please check and/or fill in):

- \_\_\_\_\_ Load Scheduling
- \_\_\_\_\_ Installed Capacity Obligations
- \_\_\_\_\_ Import Capability
- \_\_\_\_\_ Reconciliation Rights and Responsibilities
- \_\_\_\_\_ Other: \_\_\_\_\_

The Scheduling Coordinator appointed by the ESCO shall be responsible for the performance of all Coordination Obligations of the ESCO that are specifically delegated to said Scheduling Coordinator in this Form.

Rider B - Scheduling Coordinator Designation Form Rider (continued)

- 4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the ESCO in connection with the Company's provision of Coordination Services if requested to do so by the ESCO.
- 5.0 The ESCO agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the ESCO and that the Scheduling Coordinator shall pay the Company such charges on behalf of the ESCO in accordance with the terms and conditions in the ESCO Coordination Manual.
- 6.0 The ESCO and its appointed Scheduling Coordinator shall comply with all terms and conditions of the ESCO Coordination Manual, including those pertaining to Scheduling Coordinators and to payment and billing.
- 7.0 All inquiries, communications or Notices relating to the ESCO's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the ESCO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet email: \_\_\_\_\_



Rider B - Scheduling Coordinator Designation Form Rider (continued)

To the Scheduling Coordinator:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet email: \_\_\_\_\_

8.0 The ESCO Coordination Manual is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the ESCO Coordination Manual.

9.0 The ESCO has executed this designation form below by its duly authorized representative as follows:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

10.0 The ESCO has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

**Acknowledgment and Consent**

Intending to be legally bound thereby, the duly authorized representative of above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the ESCO, including the terms and conditions of the ESCO Coordination Manual which is incorporated therein by reference.

Rider B - Scheduling Coordinator Designation Form Rider (continued)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER C  
NON-DISCLOSURE OF  
CUSTOMER INFORMATION AGREEMENT RIDER**

The undersigned acknowledges that it is a licensed ESCO in the State of New York and agrees that it shall keep any and all Customer information including, but not limited to, Customer names, account numbers, load research curves and other load information, supplied by Pennsylvania Electric Company, doing business as GPU Energy (the "Company") pursuant to the Company's Energy Service Company Coordination Manual, confidential (including all Internet passwords granting access to Customer information), and not to divulge it to any third parties without the Customer's authorization. Upon the Company's receipt of a fully-executed original of this Agreement, the Company shall provide the ESCO with password-protected access to the Company Website location where the ESCO can locate the Customer information.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER D**  
**MINIMUM CREDITWORTHINESS STANDARDS; OBLIGATIONS; PROCEDURES**

The ESCO Coordination Manual (sometimes herein, the “ESCO Manual”) is incorporated herein by reference and made part hereof. All capitalized terms used, but not defined, in this Rider, shall have the meaning stated in the ESCO Coordination Manual.

An ESCO desiring to provide Competitive Energy Supply to Customers in the Company’s service territory shall satisfy the minimum creditworthiness standards specified in this Rider D.

The Company shall determine whether an ESCO is creditworthy pursuant to the minimum creditworthiness standards specified in this Rider D. The Company may declare an ESCO not to be creditworthy under this Rider D despite the ESCO’s compliance with the minimum creditworthiness standards specified below upon a showing that there is financial risk to the Company that cannot be fully protected by satisfying the minimum creditworthiness standards.

An ESCO seeking to satisfy the minimum creditworthiness standards specified in this Rider D shall submit to the Company (i) its most recent independently audited financial statement or, (ii) if the ESCO is a publicly held firm, its most recent Securities and Exchange Commission (“SEC”) Form 10-K and SEC Form 10-Q and (iii) such other data and information the Company reasonably requests including, but not limited to, the ESCO’s credit rating(s), load data or reasonable estimates thereof.

The minimum creditworthiness standards that must be satisfied by ESCO are as follows. An ESCO shall demonstrate to the Company’s satisfaction that it presently possesses and shall at all times maintain minimum long-term issuer or senior unsecured ratings from any two (2) of the following three (3) rating agencies:

**MINIMUM CREDITWORTHINESS STANDARDS**

AGENCY	ISSUER OR SENIOR UNSECURED RATING
Standard & Poor’s	BBB
Moody’s	Baa2
Fitch	BBB

The Company’s determination of whether the ESCO satisfies the minimum creditworthiness standards specified in this Rider D shall be completed within ten (10) business days after the Company receives from the ESCO all data and information required and/or requested hereunder. In the event the Company determines that the ESCO has failed to satisfy the minimum creditworthiness standards specified in this Rider D, it shall provide timely to the ESCO (i) a written explanation of, and the reasons for, its determination and (ii) a complete description of

Rider D - Minimum Creditworthiness Standards; Obligations; Procedures (continued)

any alternative credit arrangement(s) the Company is willing to consider and evaluate in lieu of the ESCO satisfying the otherwise applicable minimum creditworthiness standards. The Company shall perform all determinations of ESCOs' compliance with (and satisfaction of) the minimum creditworthiness standards specified in this Rider D in a fair, equitable, consistent and non-discriminatory manner.

The Company shall consider and evaluate timely all alternative credit arrangements offered by an ESCO that has been previously determined by the Company to have failed to satisfy the minimum creditworthiness standards specified in this Rider D.

All financial data and information submitted by ESCOs to the Company under this Rider D including, without limitation, all SEC Forms 10-K and SEC Forms 10-Q, shall be updated and provided to the Company on a regular basis. Updated financial statements or SEC Forms 10-K shall be provided by the ESCO to the Company within ninety (90) days of fiscal year-end, and updated SEC Forms 10-Q shall be provided by the ESCO to the Company within forty-five (45) days of the close of each quarter that does not coincide with the end of the ESCO's fiscal year.

The Company may permit the ESCO to provide alternative credit arrangement(s) to the Company if the ESCO fails to satisfy the minimum creditworthiness standards specified in this Rider D.

The alternative credit arrangement(s) may be based upon either of the following security instruments:

- (i) a guarantee of payment, satisfactory in form and substance to the Company, from a guarantor deemed by the Company to be creditworthy as determined by the aforementioned minimum creditworthiness standards in the Company's sole and exclusive judgment; or
- (ii) an irrevocable letter of credit, satisfactory in form and substance to the Company, issued by a bank or other financial institution deemed by the Company to be creditworthy as determined by the aforementioned minimum creditworthiness standards in the Company's sole and exclusive judgment.

Rider D - Minimum Creditworthiness Standards; Obligations; Procedures (continued)

The security amount of the alternative credit arrangement shall be determined as follows:

- (i) Payment Default Risk Associated with ESCO Consolidated Billing: The security amount associated with the ESCO defaulting on payments due to the Company in connection with the ESCO billing Customers for both delivery and commodity services shall be equal to (a) ninety (90) days of total ESCO Customer usage in the summer season, as estimated by the Company which usage is subject to adjustment as described in paragraph (iii) below in the Company's sole and exclusive judgment, multiplied by (b) the applicable transmission and distribution rate specified in the prevailing EDC Tariff, including relevant Competitive Transition and Customer charges (as defined or specified in said EDC Tariff).
- (ii) Provision of Commodity Default Risk Associated with Provider of Last Resort Obligation: The security amount associated with the ESCO defaulting on the delivery of commodity (i.e., generation) and related services, thereby causing the Company to provide unplanned commodity (i.e., generation) and related services, shall be equal to (a) ninety (90) days of total ESCO Customer usage in the summer season, as estimated by the Company and as described in paragraph (iii) below, which usage is subject to adjustment in the Company's sole and exclusive judgment, multiplied by (b) the applicable EDC Tariff rate that includes energy, capacity and transmission charges.
- (iii) Customer Usage in the Summer Season: Customer usage in the summer season shall be estimated by the Company as follows: The ESCO shall provide the Company an initial estimate of the amount of applicable usage derived from load profiles. After electric energy has been provided by the ESCO and delivered to its customers for thirty (30) days, the amount shall be adjusted by the Company, based on the ESCO's portfolio of customers, so long as the revised amount of security falls outside of a \$50,000 deadband. Adjustments shall be made in this fashion by the Company on a monthly basis, with the deadband calculated around the dollar amount of security in effect at the time of the calculation. The Company shall Notify the ESCO of any adjustments and the ESCO shall be responsible for providing and maintaining the full amount of the revised security.

The ESCO's creditworthiness, the satisfactory nature of any alternative arrangements that may be made or provided hereunder, and the ESCO's duty to keep the Company informed of developments that may be material to its creditworthiness or to the adequacy of any alternative arrangements in place are all material terms of the ESCO Manual.

Rider D - Minimum Creditworthiness Standards; Obligations; Procedures (continued)

Creditworthiness or satisfactory alternative credit arrangements shall be maintained by the ESCO on an ongoing basis throughout the term of the Individual Coordination Agreement and at all times that the ESCO is providing Competitive Energy Supply.

In the event the ESCO's creditworthiness lapses, in the Company's sole and exclusive judgment, or if the ESCO's established alternative credit arrangements terminate or become unsatisfactory, in the Company's sole and exclusive judgment, the Company shall provide Notice thereof to the ESCO and may, in its sole and exclusive discretion, but not sooner than three (3) business days thereafter, continue to render service or elect to terminate its relationship with the ESCO under this Manual and the Individual Coordination Agreement, subject to the ESCO's right to dispute the Company's determination before the Commission or the FERC, as appropriate, as set forth below. The Company may condition the continuation of service hereunder on the establishment of new alternative credit arrangements, satisfactory to the Company in its sole and exclusive discretion.

In addition to other information required hereunder, the ESCO shall provide to the Company such credit information as the Company reasonably requests from time to time. The ESCO acknowledges and agrees that the Company may report the ESCO's credit history with the Company to a national credit bureau.

By determining that the ESCO satisfies the minimum creditworthiness standards specified in this Rider D, the Company makes no express or implied warranties or guarantees of any kind with respect to the financial or operational qualifications of the ESCO.

The Company may call and/or draw upon for its sole and exclusive benefit the security posted by the ESCO if:

- (i) the ESCO fails to make any payment to the Company required under the ESCO Manual and:
  - (a) Payment is not made within the time specified in the ESCO Manual;
  - (b) Notice of default is provided in accordance with the ESCO Manual; and

Rider D - Minimum Creditworthiness Standards; Obligations; Procedures (continued)

- (c) Any applicable cure period under the ESCO Manual ends; or
- (ii) the ESCO commits any event of default specified in the ESCO Manual and fails to effect a cure in the prescribed time period.

The ESCO shall have the right to submit to the Commission or the FERC, as appropriate, for resolution, any dispute regarding the Company's determination or application of the minimum creditworthiness standards to the ESCO. The Company shall not be obligated to execute the Individual Coordination Agreement in Rider A or continue to fulfill any obligations under an existing Individual Coordination Agreement of this ESCO Manual until said dispute is resolved by a final order of the Commission or the FERC, as appropriate, not subject to appeals or the legal challenges.

In the event a dispute is submitted to the Commission or the FERC, as appropriate, the aforementioned Notice of termination period shall be extended up to thirty (30) days. In the event the Commission or the FERC does not issue a final order resolving the dispute within thirty (30) days of the date the ESCO submits the dispute, upon Notice to the ESCO, the Company may terminate its relationship with the ESCO under this ESCO Manual and the Individual Coordination Agreement.



**RIDER E  
STANDARD BILL FORMAT**

May 09, 2000

Account Number: 10 00 12 8821 9 5'  
Bill for: JOHN DOE  
110 PROVIDENCE ST  
WAVERLY NY 14892

Page 1 of 4  
#67





NY Delivery Service

Billing Period: Apr 11 to May 09, 2000 for 29 days  
Next Reading Date: On or about Jun 09, 2000  
Bill Based On: Actual Meter Reading

Residential Time Of Day

Account Summary		Amount Due
Your previous bill was	131.13	
Total payments/adjustments	-131.13	
Balance at billing on May 09, 2000	0.00	0.00
<b>Current Basic Charges</b>		
GPU Energy - Consumption		51.79
Current Charges ESCO ENERGY		85.98
<b>Total Due by Jun 05, 2000 - Please pay this amount</b>		<b>\$117.77</b>

To avoid a 1.5% Late Payment Charge being added to your bill, please pay by the due date.

General Information	
 Bill issued by: GPU Energy PO Box 19152 Reading PA 19612-5152	 Customer Service 1-888-478-2300 Emergency/Power Outage 1-800-545-7738 Collections 1-800-934-8877
 Generation supplied by: ESCO ENERGY 885 Chesterbrook Blvd Wayne PA 19087	 Customer Service 1-888-463-9566

See other pages for additional information and telephone numbers



Return this part with a check or money order Payable to GPU Energy  
Write name, phone, or address changes on back and check here.

Amount Paid	
Please Pay	\$117.77
Due By	June 05, 2000

JOHN DOE  
110 PROVIDENCE ST  
WAVERLY NY 14892

GPU ENERGY  
PO BOX 401  
ALLENHURST NJ 07709-0401

⑆ 1100012682195000000000000000000000000001177000011777

Rider E - Standard Bill Format (continued)

Definitions

**Customer Charge** - Part of the monthly basic distribution charge to cover costs for billing, meter reading, equipment, maintenance, and advanced metering when in use.

**Distribution Charge** - Charges for the use of local wires, transformers, substations, and other equipment used to deliver electricity to end-use consumers from the high-voltage transmission lines.

**Estimated Bill** - If this is on your bill, we could not read your meter this billing period. Instead, we estimated your use. We will correct any difference between what we estimated and your actual use the next time we read your meter.

**Generation Charge** - Charges for the production of electricity.

**Kilowatt-hour (kWh)** - The basic unit of electric energy for which most customers are charged in cents per kilowatt-hour.

**Late Payment Charge** - This is a charge for not paying your bill by the day it is due.

**Market Based GRA** - An adjustment to the Generation Charge to reflect the Market Price of electric energy for those customers electing this option.

**Multiplier** - If this is on your bill, we must multiply the electric use recorded on your meter by the number shown. This gives us the total kilowatt-hours you used for this billing period.

**Prorated Bill** - If this is on your bill, the current billing period is for less than 28 days or more than 35 days or a rate change occurred during the current billing period.

**Service Charge** - This is a charge on your first bill for the cost of opening your new account.

**State Taxes** - Your bill includes several state taxes. One state tax is the Gross Revenue Tax. If you pay State Sales Tax, you will see it as a line item on your bill.

**Transmission Charge** - Charges for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

Important Information

Questions or Complaints?

If you have GPU Energy billing questions or complaints, write GPU Energy, P.O. Box 15152, Reading, PA 19612-5152 or call 1-800-545-7741 before the due date. Our representatives can give you information about rate schedules, explain the different charges, and tell you how to make sure your bill is correct. To view your rate schedule at your local office, call 1-800-545-7741. To learn more about GPU Energy's customer services, visit our website at <http://www.gpu.com>.

For Your Protection

All of our employees wear Photo I.D. badges. Ask for an I.D. before letting anyone in your home. If you are still not sure, please call.

For changes or corrections to be processed, do not pay at an agency.  
**PAYMENT MUST BE MAILED**

Reason for Change:

Name: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State/Zip: \_\_\_\_\_  
Phone/Home: ( ) \_\_\_\_\_  
Other: \_\_\_\_\_  
Social Security No: \_\_\_\_\_

Customer Contact Information

**Customer Service?** Call 1-800-545-7741  
Mon-Fri 8:00-8:00  
**Emergency/**  
**Power Outage?** Call 1-800-545-7738  
24 Hour Service  
**Collections?** Call 1-800-952-4848  
Mon-Fri 8:00-8:00  
**TTY** Call 1-800-522-2378

When you contact us, you may be asked for one of the following:

Your Phone Number: 1-610-921-8909  
Your Account Number: 10 00 12 8821 9 5  
Your Premises Number: 2180471

10 00 12 8821 9 5 2180471

Complete the information on the left to correct your name or mailing address. If you are moving and need your service turned on or off, please visit our Website or call Customer Service.

Rider E - Standard Bill Format (continued)

Invoice Number: 1070322108 Page 3 of 4  
Account Number: 10 00 12 8821 9 5 P67

Detail Billing Information			
<b>Charges from GPU Energy this billing period</b>			
When contacting an Electric Generation Supplier, please provide the following Customer Number(s): 090910918 0902180421 - Residential Time Of Day - WV Call GPU Energy at 1-888-478-2300 with questions on these charges			
<b>GPU Energy Basic Charges</b>			
Customer Charge			9.73
Distribution Charges	433 ONKWH x 0.063710	27.59	
	1,070 OFFKWH x 0.008220	8.80	
<b>Total Distribution Charges</b>		<b>36.39</b>	<b>36.39</b>
<b>Total GPU Energy Charges</b>			<b>\$ 51.75</b>
<b>Charges from ESCO ENERGY this billing period</b>			
Call ESCO ENERGY at 1-888-463-9666 with questions on these charges			
<b>ESCO ENERGY Basic Charges</b>			
Generation/Transmission Charges	1,503 KWH x 0.04390000		65.98
<b>Total ESCO ENERGY Charges</b>			<b>65.98</b>
<b>Meter Reading Information</b>			
Meter Number	Meter Reading		Electricity Used (Kilowatt Hours)
	May 09 Actual	Apr 11 Actual	
G15195936	1276	843	433 28.6% On Peak 1,070 71.2% Off Peak
G15198936	4794	3291	1,503 100 % Total
<b>Usage Information</b>			
<b>Usage Comparison</b>			
		May 99	May 00
Average Daily Use (KWH)		54	52
Average Daily Temperature		51	55
Days in Billing Period		27	29
Last 12 Months Use (KWH)			22,294
Average Monthly Use (KWH)			1,858

Rider E - Standard Bill Format (continued)

Invoice Number: 1070322108 Page 4 of 4  
Account Number: 10 00 12 8821 9 5

Detail Payment and Adjustment Information				
	Type	Date	Reference	Amount
Payments:	Payment	04/17/00		-131.13
Total Payments				-131.13
Total Payments and Adjustments				<u>-131.13</u>