
Devin Ryan

dryan@postschell.com
717-612-6052 Direct
717-731-1985 Direct Fax
File #: 194562

August 30, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company
Docket Nos. A-2023-3038771, et al.**

Dear Secretary Chiavetta:

Enclosed for filing is the Joint Petition for Approval of Settlement of All Issues in the above-referenced proceeding. Copies of this filing will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/dmc
Enclosures

cc: The Honorable Conrad A. Johnson
The Honorable Emily I. DeVoe
Nicholas Miskanec, Legal Assistant
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL ONLY

Laura N. Berman, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org
Counsel for CAUSE-PA

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov
Counsel for I&E

Aron Beatty, Esquire
Christy M. Appleby, Esquire
Andrew J. Zerby, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
Ocafemerger2023@paoca.org
Counsel for OCA

Sharon E. Webb, Esquire
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov
Counsel for OSBA

Thomas J. Sniscak, Esquire
Whitney Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
tjsniscak@hmslegal.com
wesnyder@hmslegal.com
Counsel for The Pennsylvania State University

Deanne M. O'Dell, Esquire
Karen O. Moury, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Str., 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
dodell@eckertseamans.com
kmoury@eckertseamans.com
Counsel for RESA

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Steven W. Lee, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com
slee@spilmanlaw.com
Counsel for IECPA

Susan E. Bruce, Esquire
Charis Mincavage, Esquire
McNees Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166
sbruce@mcneeslaw.com
cmincavage@mcneeslaw.com
*Counsel for Met-Ed Industrial Users Group,
Penelec Industrial Customer Alliance, and
West Penn Power Industrial Intervenors*

John F. Lushis, Jr., Esquire
David Berger, Esquire
Norris McLaughlin, P.A.
515 W. Hamilton Street, Suite 502
Allentown, PA 1810
jlushis@norris-law.com
dberger@norris-law.com
Counsel for Calpine

Kevin C. Higgins
Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, Utah 84111
khiggins@energystrat.com
Consultant for OSBA

James L. Crist, P.E.
Lumen Group, Inc.
4226 Yarmouth Drive, Suite 101
Allison Park, PA 15101
jlcris@aol.com
*Consultant for The Pennsylvania State
University*

Date: August 30, 2023



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Metropolitan Edison :
Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, : Docket Nos. A-2023-3038771
West Penn Power Company, Keystone : A-2023-3038792
Appalachian Transmission Company, Mid- : A-2023-3038793
Atlantic Interstate Transmission, LLC, and : A-2023-3038794
FirstEnergy Pennsylvania Electric : A-2023-3038795
Company for All of the Necessary : A-2023-3038807
Authority, Approvals, and Certificates of : A-2023-3038808
Public Convenience for (1) the Agreements : G-2023-3038818
and Plans of Merger; (2) the Establishment : G-2023-3038819
of FirstEnergy Pennsylvania Holding : G-2023-3038820
Company LLC as an Intermediate Holding : G-2023-3038821
Company in the Chain of Ownership of : G-00020956
FirstEnergy Pennsylvania Electric :
Company; (3) the Merger of Metropolitan :
Edison Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company with and :
into FirstEnergy Pennsylvania Electric :
Company; (4) the Initiation by FirstEnergy :
Pennsylvania Electric Company of Electric :
Service in All Territories in this :
Commonwealth where Metropolitan :
Edison Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company Do or May :
Provide Electric Service; (5) the :
Abandonment by Metropolitan Edison :
Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company of All :
Electric Service in this Commonwealth; (6) :
the Adoption by FirstEnergy Pennsylvania :
Electric Company of Metropolitan Edison :
Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company's Existing :
Tariffs and their Application within New :
Service and Rate Districts of FirstEnergy :
Pennsylvania Electric Company :
Corresponding to their Existing Service :
Territories as the Met-Ed Rate District, :

Penelec Rate District, Penn Power Rate :
District, West Penn Rate District, and The :
Pennsylvania State University Rate :
District, Respectively; (7) the Sale of Class :
B Membership Interests in Mid-Atlantic :
Interstate Transmission, LLC held by Met- :
Ed and Penelec to FirstEnergy Corp.; (8) :
the Contribution of West Penn Power :
Company's Transmission Assets to :
Keystone Appalachian Transmission :
Company; (9) a Certificate of Public :
Convenience Conferring Upon Keystone :
Appalachian Transmission Company the :
Status of a Pennsylvania Public Utility; :
(10) Where Necessary, Associated :
Affiliated Interest Agreements; and (11) :
Any Other Approvals Necessary to :
Complete the Contemplated Transaction :
:

JOINT PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES

TO ADMINISTRATIVE LAW JUDGES CONRAD A. JOHNSON AND EMILY I. DEVOE:

I. INTRODUCTION

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), West Penn Power Company (“West Penn”), Keystone Appalachian Transmission Company (“KATCo”), Mid-Atlantic Interstate Transmission, LLC (“MAIT”) and FirstEnergy Pennsylvania Electric Company (“FE PA”) (collectively, the “Joint Applicants”), the Office of Consumer Advocate (“OCA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Met-Ed Industrial Users Group (“MEIUG”), Penelec Industrial Customer Alliance (“PICA”), and West Penn Power Industrial Intervenors (“WPPII”) (collectively, “Industrial Customer Groups”), the Industrial Energy Consumers of Pennsylvania (“IECPA”), and The Pennsylvania State University (“PSU”) (collectively, “Joint Petitioners”), all active parties in the above-captioned proceeding, hereby file this Joint Petition for Approval of Settlement of All Issues (“Settlement”) and respectfully request that Administrative Law Judge Conrad A. Johnson (“ALJ Johnson”) and Administrative Law Judge Emily I. DeVoe (“ALJ DeVoe”) (collectively, “ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) approve the Joint Application subject to the terms and conditions of the Settlement.¹

This Settlement represents a full settlement of all issues and concerns raised in the instant proceeding. Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs are

¹ The Commission’s Bureau of Investigation and Enforcement (“I&E”), the Office of Small Business Advocate (“OSBA”), Calpine Retail Holdings, LLC (“Calpine”), and the Retail Energy Supply Association (“RESA”) represented that they are not opposing the Settlement.

provided as **Appendices B, C, and D**, respectively. Finally, the Joint Petitioners' respective Statements in Support of the Settlement are included as **Appendices E through J**.

In support of the Settlement, the Joint Petitioners state the following:

II. BACKGROUND

1. The above captioned proceedings were initiated on March 6, 2023, when Met-Ed, Penelec, Penn Power, West Penn, KATCo, MAIT, and FE PA filed the "Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger; (2) the Establishment of FirstEnergy Pennsylvania Holding Company LLC as an Intermediate Holding Company in the Chain of Ownership of FirstEnergy Pennsylvania Electric Company; (3) the Merger of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company with and into FirstEnergy Pennsylvania Electric Company; (4) the Initiation by FirstEnergy Pennsylvania Electric Company of Electric Service in All Territories in this Commonwealth where Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company Do or May Provide Electric Service; (5) the Abandonment by Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company of All Electric Service in this Commonwealth; (6) the Adoption by FirstEnergy Pennsylvania Electric Company of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's Existing Tariffs and their Application within New Service and Rate Districts of FirstEnergy Pennsylvania Electric Company Corresponding to their Existing Service Territories as the Met-Ed Rate District, Penelec

Rate District, Penn Power Rate District, West Penn Rate District, and The Pennsylvania State University Rate District, Respectively; (7) the sale of Class B Membership Interests in Mid-Atlantic Interstate Transmission, LLC held by Met-Ed and Penelec to FirstEnergy Corp.; (8) the Contribution of West Penn Power Company’s Transmission Assets to Keystone Appalachian Transmission Company; (9) a Certificate of Public Convenience Conferring Upon Keystone Appalachian Transmission Company the Status of a Pennsylvania Public Utility; (10) Where Necessary, Associated Affiliated Interest Agreements; and (11) Any Other Approvals Necessary to Complete the Contemplated Transaction” at Docket Nos. A-2023-3038771, A-2023-3038792, A-2023-3038793, A-2023-3038794, A-2023-3038795, A-2023-3038807, A-2023-3038808, G-2023-3038818, G-2023-3038819, G-2023-3038820, G-2023-3038821, G-00020956 (the “Joint Application”). The Joint Applicants requested that the Joint Application and any related dockets be consolidated for purposes of discovery, litigation, and disposition.

2. The Joint Application seeks certain approvals from the Commission associated with: (1) the proposed merger of Met-Ed, Penelec, Penn Power, and West Penn with and into FE PA (“Proposed Consolidation”); (2) the proposed sale of Class B membership interests in MAIT held by Met-Ed and Penelec to FirstEnergy Corp. (“FirstEnergy”) (“Proposed Sale of MAIT Class B Interests”); and (3) the proposed contribution of West Penn’s Transmission Assets to KATCo (“Proposed Transmission Contribution”). These three items are collectively referred to as the “Transaction.”

3. On March 8, 2023, the Commission issued a Secretarial Letter, which: (1) scheduled an initial telephonic prehearing conference for April 25, 2023, at 1:30 PM before the ALJs; and (2) enclosed a copy of the Public Notice that would appear in the *Pennsylvania Bulletin*.

4. On March 16, 2023, CAUSE-PA filed a Petition to Intervene and Answer.

5. On March 23, 2023, OSBA filed a Notice of Appearance, Protest, and Notice of Intervention.

6. On March 29, 2023, I&E filed its Notice of Appearance.

7. On April 4, 2023, OCA filed a Protest.

8. On April 5, 2023, IECPA filed a Petition to Intervene.

9. On April 13, 2023, the Commission issued a Prehearing Conference Order, which: (1) confirmed the telephonic prehearing conference would be held on April 25, 2023, at 1:30 p.m. before the ALJs; and (2) directed the parties to file Prehearing Conference Memoranda on or before 4:00 p.m. on Friday, April 21, 2023.

10. On April 14, 2023, the Industrial Customer Groups filed a Joint Petition to Intervene and Protest.

11. On April 17, 2023, the Joint Applicants filed their Proofs of Publication evidencing that the notice of the Joint Application was published as directed by the Commission.

12. Also on April 17, 2023, Calpine, RESA, and PSU separately filed Petitions to Intervene.

13. On April 21, 2023, the Joint Applicants filed their Prehearing Memorandum.

14. Also on April 21, 2023, OCA, OSBA, I&E, CAUSE-PA, the Industrial Customer Groups, RESA, PSU, Calpine, and IECPA filed their Prehearing Memoranda.

15. On April 25, 2023, a prehearing conference was held as scheduled. The Joint Applicants, OCA, I&E, OSBA, CAUSE-PA, Industrial Customer Groups, PSU, Calpine, RESA, and IECPA were represented at the conference. The parties discussed the Petitions to Intervene, discovery rule modifications, and the litigation schedule.

16. On April 27, 2023, the Commission issued an Evidentiary Hearing Notice, which

scheduled an Initial In-Person Evidentiary Hearing for August 10, 2023, and August 11, 2023, before the ALJs in Pittsburgh, PA.

17. A Prehearing Order was entered on April 28, 2023, which, among other things, granted the Petitions to Intervene, consolidated the above-captioned cases at Docket No. A-2023-3038771, established a litigation schedule, and modified the discovery rules.

18. On June 15, 2023, the Industrial Customer Groups and IECPA (collectively, “Industrial Customers”), OCA, CAUSE-PA, and PSU served their written direct testimony and exhibits.

19. Also on June 15, 2023, I&E, OSBA, RESA, and Calpine filed letters stating they would not be serving direct testimony.

20. On July 14, 2023, the Joint Applicants served their written rebuttal testimony and exhibits.

21. Also on July 14, 2023, OCA, CAUSE-PA, OSBA, Industrial Customers, PSU, I&E, RESA, and Calpine filed letters stating they would not be serving rebuttal testimony.

22. On August 1, 2023, OCA, CAUSE-PA, and Industrial Customers served their written surrebuttal testimony.

23. Also on August 1, 2023, the Joint Applicants, I&E, and PSU filed letters stating they would not be serving surrebuttal testimony.

24. On August 8, 2023, as a result of settlement discussions held in this proceeding, and the efforts of the parties to examine the issues raised, the Joint Applicants and the other active parties reached an agreement in principle to settle all issues in this proceeding. Therefore, the Joint Applicants requested that all witnesses be excused from the hearings and that all testimony and exhibits be admitted via stipulation at the evidentiary hearing scheduled for Thursday, August 10,

2023. Further, the Joint Applicants requested that the August 10, 2023 evidentiary hearing be converted from in-person to telephonic. Lastly, the Joint Applicants advised the ALJs that they were evaluating whether and to what extent they would be serving written rejoinder testimony in light of the settlement in principle.

25. Subsequently on August 8, 2023, ALJ Johnson granted the Joint Applicants' requests and provided information for the telephonic evidentiary hearing to be held on August 10, 2023.

26. On August 9, 2023, the Joint Applicants served their written rejoinder testimony and exhibit. The Joint Applicants also filed a Motion for Protective Order.

27. On August 10, 2023, a telephonic evidentiary hearing was held for the purpose of admitting pre-served testimony and exhibits into the record. The ALJs granted the request to cancel the August 11, 2023 hearing and issued a Hearing Cancellation Notice. The ALJs further directed that any settlement and associated proposed findings of fact, proposed conclusions of law, proposed ordering paragraphs, and statements in support of the Settlement be submitted August 30, 2023.

28. On August 11, 2023, the ALJs issued an Order Granting Joint Applicants' Unopposed Motion for Protective Order.

29. As a result of the settlement efforts described above, the Joint Petitioners have agreed to a settlement that fully resolves all issues among them. The Joint Petitioners are in full agreement that the Settlement is in the public interest as a reasonable resolution of their respective interests and should be approved without modification. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

III. SETTLEMENT

A. GENERAL

30. The following terms of this Settlement reflect a carefully balanced compromise of the Joint Petitioners' positions on various issues. The Joint Petitioners agree that the Settlement is in the public interest.

31. The Joint Petitioners agree that the Joint Application should be approved, including those tariff changes included in and specifically identified in **Appendix A**, subject to the terms and conditions of this Settlement that are specified below.

B. RATES

32. In line with the concept of gradualism, the Joint Applicants will not propose to reach full base distribution rate unification of all classes until the conclusion of three rate cases, filed on or after January 1, 2025, or a period of ten years from the date of the Commission's approval of the Transaction, whichever occurs first, except that any newly introduced base distribution rate, for which no customers are currently receiving service and on which any customers eligible to take service on this newly introduced rate would voluntarily enroll, can be charged as one FE PA uniform rate (*e.g.*, new EV or lighting rates), as approved by the Commission in any subsequent rate case. FE PA is not precluded from proposing unification of any of its tariff rules and regulations of service and associated fees prior to January 1, 2025.

33. The Joint Applicants commit to filing four cost of service models, one for each Rate District with PSU as part of the West Penn Rate District, as well as a consolidated FE PA cost of service model, in the next rate case after the Proposed Consolidation is approved, and in each of the subsequent rate cases until full rate consolidation is achieved.

34. The Joint Applicants agree to track savings in operating expenses achieved as a result of the proposed Transaction attributable to Met-Ed, Penelec, Penn Power, and West Penn

(collectively, “Pennsylvania OpCos”), related to the categories listed in 34(a) through (e) below. These savings will be placed into a regulatory liability account to be flowed back to ratepayers in each next applicable base rate case for five years following entry of a final Commission order on this Settlement. Any savings remaining at the conclusion of the five-year period will be flowed back at the first available rate proceeding. FE PA will include as part of each base rate case filing during this period incremental and cumulative data quantifying the financial benefits provided to ratepayers as a result of the consolidation related to the following categories of savings:

- a. Cost of debt savings associated with any new financings by FE PA or refinancing of the Pennsylvania OpCos’ existing debt as assumed by FE PA, using an assumption of a five basis point savings for each such financing/refinancing;
- b. Reduced contractor reliance in support of non-extraordinary storm restoration events that are not otherwise reflected as real-time savings in the Pennsylvania OpCos’ storm reserve accounts;
- c. Efficiencies gained due to consolidation of the Pennsylvania OpCos’ substation planning and scheduling operations;
- d. Reduced contractor reliance due to increasing the ability to share resources across territorial boundaries as union contracts permit; and
- e. Any pre-existing financial or regulatory reports that can be consolidated or streamlined, as such takes place.

35. With respect to the amounts that will be tracked and recorded to a regulatory account as set forth in Paragraph 34, all parties reserve the right to raise all arguments with respect to the determination of any savings, the attribution of any savings to the former Pennsylvania

OpCos, and whether any or all of the amounts to be determined should be flowed through to ratepayers in each base rate case that occurs over the period contemplated by Paragraph 34.

36. It is the intent of all parties to this Settlement that no customer group in any FE PA Rate District should be extraordinarily disadvantaged or harmed in the event of a rate unification and that such rate unification should adhere to the principle of gradualism.

37. To the extent FE PA seeks to include in distribution rates the revenue requirement related to any underlying land, or a proportional share of underlying land, that is subject to the Ground Lease, FE PA agrees that any Ground Lease revenues associated with that underlying land, or proportional share of the underlying land, will also be included as a component of its distribution revenue in the future FE PA distribution rate proceedings before the Commission where such revenue requirements are claimed.

38. KATCo will file an annual report with the Commission on May 1 of each year for five years after the contribution of the transmission assets from West Penn to KATCo has been completed that identifies the calculation of the Ground Lease payments.

39. The Joint Applicants agree to maintain a list on the FE PA website of the historical rate schedules for each of the Rate Districts on a rolling five-year basis, including zonal and system scaling factors for the industrial classes, by Rate District, applicable during each rate term.

C. LOW-INCOME PROGRAMS

40. The staffing levels of FE PA's Universal Service Program(s) will not be reduced as a result of the Transaction for the duration of its pending Universal Service and Energy Conservation Plan ("USECP"), from 2024 through 2028, at Docket Nos. M-2022-3036532, *et al.* Staffing levels will be maintained, notwithstanding retirements and voluntary separations.

41. As of the date of the final Order in this matter, and until a modification is agreed by all interested parties, the Joint Petitioners commit that FE PA will host its Universal Service

Advisory Committee (“USAC”) on a quarterly basis through each calendar year for the purpose of presenting any proposed changes or amendments to program design or administration prior to advancing a formal proposal or otherwise implementing such changes, and discussing issues and questions that may be occurring in the communities it serves related to Consolidation or its Universal Service Program(s).

42. FE PA commits to share program data with USAC members in advance of each USAC meeting to help facilitate informed discussions. Data will include program participant data, spending levels (including but not limited to current spending levels and remaining funding of hardships grants), and other relevant program metrics as agreed upon by the parties for each USECP (including number of new enrollees in USECPs, number of new customers who were removed from the Pennsylvania Customer Assistance Program (“PCAP”) and the reason for removal, new outreach activities and efforts by FE PA, the number of PCAP participants who have reached 90% and 100% of their maximum CAP credit limits).

43. While USAC meetings are intended to provide a platform for open dialogue and feedback regarding programming, the parties agree that the meetings are not a forum where USECP cost allocation to other customer classes will be deliberated.

44. In an effort to increase the diversity and range of community voices in the USAC, FE PA will recruit additional members to its USAC from groups such as local housing providers, food assistance providers, weatherization and home repair providers, community health clinics, domestic violence agencies, immigrant and refugee resettlement organizations, and other local community-based organizations serving low-income individuals and communities within the FE PA service territory.

45. The Joint Applicants are committed to making the transfer of a PCAP enrollment status as seamless as possible for PCAP enrollees who move from one Rate District to another. There are currently system limitations that prevent FE PA from automatically moving customers into and out of different Rate District across the service territory. The Joint Applicants commit to conducting further analysis of possible options for providing this optionality across the entire Pennsylvania footprint. The Joint Applicants will provide an update to its USAC as a standing agenda item until such time as FE PA reaches full implementation of the ability to provide seamless transition of enrollment for PCAP enrollees who move from one Rate District to another.

46. The Joint Applicants agree to make contributions of \$150,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for a period of three years after Commission approval of the Transaction. The Joint Applicants additionally agree to make contributions of \$100,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for the following two years. Any unspent funding from the annual contributions will be rolled over to be used for Hardship funding for the subsequent program year. These will be shareholder contributions and not recovered from ratepayers.

47. Subject to the provisions of any implementation orders or other direction issued by the Commission, at such time that the Pennsylvania Department of Human Services notifies the Low-Income Home Energy Assistance Program (“LIHEAP”) Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, FE PA will implement required modifications to its Information Technology (“IT”) system and processes, within a reasonable time frame not to exceed one year, to automatically recertify an existing PCAP participant’s income and eligibility. Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing to recertify

LIHEAP recipients for PCAP purposes as soon as practicable. All related costs to modify IT systems and processes shall be eligible for timely recovery, including any related interim costs related to manual processing. All LIHEAP recipients identified in the data exchange will be deemed by FE PA as confirmed low-income customers and will be eligible for winter shutoff protections. FE PA commits to conducting outreach to all LIHEAP recipients identified in the data exchange that are not current PCAP participants to encourage enrollment in the program.

D. OPERATIONS AND CUSTOMER SERVICE

48. The Joint Applicants shall not withdraw transmission facilities from the operational control of PJM Interconnection, LLC (“PJM”) unless KATCo has first applied for, and obtained, authorization by order of the Commission.

49. FE PA will commit to the following related to its call center operations:

- a. Maintaining the location of a Pennsylvania call center for a period of five years;
- b. If, subject to the commitment reflected in Paragraph 49(a), *supra*, future business circumstances support a change in contact center location or construct, FE PA will take steps to ensure that a Pennsylvania-focused presence and awareness is represented within its contact center operations through means including targeted recruiting efforts for Pennsylvania-based representatives, inclusion of a Pennsylvania-focused refresher training module to be provided to all representatives taking calls from FE PA customers, and advance notice and discussion with the parties to this settlement of FE PA’s plans to eliminate and otherwise provide for the services enjoyed by the Joint Applicants’ customers by the Reading, Pennsylvania contact center;
- c. Maintaining the services offered to residential customers by its call centers as of July 2023 for a period of 5 years. The services are as follows:

- i. Support during outages – Log power out reports from customers, provide updates to customers on estimated time of restoration for outages, log reports from customers of downed powerlines and equipment, etc.;
 - ii. Planning for a move – Assist customers before, during and after the move process (start / stop / transfer of service);
 - iii. Submit service requests for tree problems, lighting problems, and electrical work;
 - iv. Answer billing questions – Questions pertaining to high bills, high usage, and bills based on estimated meter readings rather than actual readings;
 - v. Take payments and answer payment questions – Offer payment plans/arrangements to customers in need of extra time to pay their electricity bills;
 - vi. Provide information on all Universal Service Programs and assistance from other community-based organizations;
 - vii. Provide information on ways to save energy – Information on energy audits, energy efficiency programs, etc.;
 - viii. Provide information on products and services – Information on electrical work, tree trimming, electric vehicle charging installation, outdoor lighting, surge assistance, etc.;
- d. Maintaining minimum hours that call centers are available to customers of Monday through Friday, 8:00 AM to 6:00 PM; and

e. Maintaining the use of IVR systems during business and nonbusiness hours as in place as of July 2023.²

50. FE PA shall conduct a monthly review of customer disputes, complaints, and the Commission's Bureau of Consumer Services compliance findings to identify and respond to root cause(s) based on patterns and practices reflected in these indicia of customer dissatisfaction to ensure high level performance for its customers. The review will identify trends and areas for performance improvement and will be reported out to management. The monthly reports and management response will be shared at each quarterly meeting with the USAC.

51. FE PA commits to maintaining its customer service performance for customer call center, reliability of service, billing, meter reading, and response to customer complaints and disputes at levels consistent with the Pennsylvania OpCos' five-year historical average as reported to the Commission. To the extent that FE PA's performance does not meet this level, FE PA agrees to meet with the parties as requested to discuss those areas of challenge and its plans to improve service levels.

E. THE PENNSYLVANIA STATE UNIVERSITY (UNIVERSITY PARK CAMPUS)

52. The Joint Applicants accept the tariff modifications proposed by James Crist in his Direct Testimony on behalf of PSU dated on June 15, 2023. Such tariff modifications are incorporated in the *pro forma* tariff supplement included with **Appendix A** and will be incorporated in the compliance tariff filings in this proceeding.

² Changes in this settlement related to call center hours/day of operation and use of Interactive Voice Response ("IVR") systems shall not be construed to alter the changes and/or enhancements to call center operations set forth in the Joint Settlement approved at Docket Nos. P-2019-3013979, *et al.* See *Joint Petition of Metropolitan Edison Co., Pennsylvania Electric Co., Pennsylvania Power Co., and West Penn Power Co. for Approval of their Involuntary Remote Disconnect Procedures*, Docket Nos. P-2019-3013979, *et al.* (Order entered July 3, 2023).

53. The Joint Applicants commit to maintaining a separate Rate District and base distribution rates for PSU.

F. ADDITIONAL PROVISIONS

54. The Joint Applicants reaffirm that they will not seek recovery of any transaction and transition costs related to PA Consolidation from distribution or transmission rates.

a. Transition costs are defined as those costs necessary to integrate assets into a single utility before and after the transaction is approved. Such costs include reporting, accounting and rates, including IT costs, internal labor, and any outside consulting costs. Transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information and investigate the feasibility of the proposed Transaction and continuing through the completion of the Transaction.

b. Transition costs will be treated in the same manner as transaction-related costs and tracked through work orders to be recorded to FERC Account 426.5 – Other deductions.

55. FE PA will hold collaborative meetings in advance of filings for modifications to the Joint Applicants’ regulatory-required plans or its next scheduled plan filings, to include Default Service Plan, USECP, Energy Efficiency and Conservation Plan, Long-Term Infrastructure Improvement Plan and, in the event that PJM implements a seasonal capacity construct, any filings related to revisions to the Joint Applicants’ recovery methodology concerning those capacity market changes. The collaborative meetings will be used to discuss the consolidation’s impact on each of the respective filings and FE PA’s plans to unify such programs moving forward.

56. The Joint Applicants commit to initiate twice-yearly meetings with the Industrial User Groups (“IUGs”), including IECPA and the Industrial Customer Groups, to discuss topics of

interest, including general reliability, calculation of individual customer peak load contributions, and rate overviews. As part of these meetings, IUG members will be able to provide advance notice of topics of interest for addition to the agenda, which may include individual reliability and/or power quality concerns that will be investigated and addressed as breakout topics with those specific customers, including root cause analysis and options for corrective action.

57. All prior settlements entered into by the Joint Applicants will survive any approved consolidation or merger and will be enforceable against FE PA to the extent applicable.

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

58. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. To accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

59. This Settlement was achieved by the Joint Petitioners after an extensive investigation of the Joint Applicants' filing, including extensive informal and formal discovery and the filing of substantial testimony by the active parties.

60. Approval of the Settlement without modification will reduce the time and expenses that the active parties and the Commission must expend on the proceeding.

61. The Joint Petitioners will further supplement the reasons that the Settlement is in the public interest in their Statements in Support. The Statements in Support are attached to this Settlement as **Appendices E through J**. In their respective Statements in Support, each Joint

Petitioner explains why, in its view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding.³

V. SETTLEMENT CONDITIONS

62. The placement of any provision within this document does not indicate the level of importance of such provision to any Joint Petitioner.

63. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation, and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all Joint Petitioners within five business days after the entry of an Order modifying the Settlement.

64. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement without modification and the proceeding continues, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

65. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Joint Petitioner's position with respect to any issues raised in this proceeding. The terms and conditions of the Settlement are limited to the

³ It is noted that, because certain Joint Petitioners only participated with regard to certain issues in this proceeding, some of the Statements in Support may be limited in the scope of issues addressed.

facts of this specific case and are the product of compromise for the sole purpose of settling this case. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position that any of the Joint Petitioners may advance on the merits of the issues in future proceedings.

66. If the ALJs recommend adopting the Settlement without modification, the Joint Petitioners waive their right to file Exceptions.

VI. CONCLUSION

WHEREFORE, the Joint Petitioners respectfully request that the Administrative Law Judges Conrad A. Johnson and Emily I. DeVoe recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues without modification.

Respectfully submitted,



Date: August 30, 2023

Tori L. Giesler (ID # 207742)
Darshana Singh (ID # 330971)
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001

David B. MacGregor (ID # 28804)
Devin T. Ryan (ID # 316602)
Garrett P. Lent (ID # 321566)
Megan E. Rulli (ID # 331981)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

*Counsel for Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania
Power Company, West Penn Power Company,
Keystone Appalachian Transmission Company, Mid-
Atlantic Interstate Transmission, LLC, and
FirstEnergy Pennsylvania Electric Company*

/s/ Andrew J. Zerby

Date: 08/30/2023

Aron Beatty, Esquire
Christy M. Appleby, Esquire
Andrew J. Zerby, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Counsel for the Office of Consumer Advocate

Date: _____

Laura N. Berman, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

*Counsel for the Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Date: _____

Thomas J. Sniscak, Esquire
Whitney Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

Counsel for The Pennsylvania State University

Aron Beatty, Esquire
Christy M. Appleby, Esquire
Andrew J. Zerby, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Counsel for the Office of Consumer Advocate

Date: _____



Date: August 30, 2023

Laura N. Berman, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

*Counsel for the Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Date: _____

Thomas J. Sniscak, Esquire
Whitney Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

Counsel for The Pennsylvania State University

Aron Beatty, Esquire
Christy M. Appleby, Esquire
Andrew J. Zerby, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Counsel for the Office of Consumer Advocate

Date: _____

Laura N. Berman, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

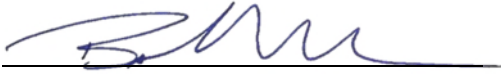
*Counsel for the Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Date: _____

/s/ Whitney Snyder
Thomas J. Sniscak, Esquire
Whitney Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

Counsel for The Pennsylvania State University

Date: August 30, 2023



Date: August 20, 2023

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Steven W. Lee, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050

*Counsel for the Industrial Energy Consumers of
Pennsylvania*

Date: _____

Susan E. Bruce, Esquire
Charis Mincavage, Esquire
McNees Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

*Counsel for the Met-Ed Industrial Users Group,
Penelec Industrial Customer Alliance, and West Penn
Power Industrial Intervenors*

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Steven W. Lee, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050

Date: _____

*Counsel for the Industrial Energy Consumers of
Pennsylvania*



Date: August 30, 2023

Susan E. Bruce, Esquire
Charis Mincavage, Esquire
McNees Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

*Counsel for the Met-Ed Industrial Users Group,
Penelec Industrial Customer Alliance, and West Penn
Power Industrial Intervenors*

Appendix A

***Pro Forma* Tariff Supplements**

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

**2800 POTTSVILLE PIKE
READING, PENNSYLVANIA 19605**

Electric Service Tariff

Effective in

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

Issued: Month XX, XXXX

Effective: Month XX, XXXX

**By: Samuel L. Belcher, President
Reading, Pennsylvania**

LIST OF MODIFICATIONS

CHANGES:

TABLE OF CONTENTS

LIST OF MODIFICATIONS 2

DESCRIPTION OF TERRITORY..... 6

GENERAL RULES AND REGULATIONS 21

 GENERAL APPLICATION 21

 DEFINITIONS 21

 HOW TO OBTAIN SERVICE/CHANGES TO SERVICE 31

 1. Applications/Contracts 31

 2. Deposits 32

 3. Right-of-Way..... 33

 4. Extension of Company Facilities: System Upgrades 34

 5. Taxes on Applicant/Customer Advances 41

 6. Proof of Inspection 41

 7. Wiring, Apparatus and Inspection 42

 8. Metering 44

BILLING CONSIDERATIONS 45

 9. Access to Customer Premises..... 45

 10. Meter Reading and Rendering of Bills 46

 11. Payment of Bills 51

 12. Administrative Charges 53

 13. Determination of Demand 54

INDIVIDUALIZED SERVICES 54

 14. Individualized Contracts..... 54

 15. Company Facilities, Services and Products..... 55

 16. Auxiliary Power Sources and Readiness to Serve..... 56

 17. Interconnection, Safety & Reliability Requirements..... 56

EMERGENCY CONDITIONS 57

 18. Load Control..... 57

 19. Energy Conservation 58

MISCELLANEOUS PROVISIONS 58

 20. Discontinuance 58

 21. Service Continuity: Limitation on Liability for Service Interruptions and Variations..... 59

 22. Transfer of Electric Generation Supplier 60

 23. Electric Vehicle Charging 60

RATE SCHEDULES - GENERAL..... 61

 RS - RESIDENTIAL SERVICE 61

 GS SMALL - GENERAL SERVICE SECONDARY - NON DEMAND METERED 65

| | |
|--|-----|
| GS - VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE SERVICE, RESCUE SQUAD AND SENIOR CENTER SERVICE RATE | 68 |
| GS MEDIUM - GENERAL SERVICE SECONDARY – DEMAND METERED | 70 |
| GS LARGE - GENERAL SERVICE SECONDARY | 75 |
| GP - GENERAL SERVICE PRIMARY | 79 |
| TP - TRANSMISSION POWER | 84 |
| GS LARGE - PRIMARY POWER SERVICE | 92 |
| PRIMARY POWER SERVICE | 95 |
| ALL ELECTRIC SCHOOL, CHURCH AND HOSPITAL RATE | 98 |
| MUNICIPAL SERVICE RATE..... | 100 |
| SERVICES | 104 |
| BORDERLINE SERVICE..... | 104 |
| LED STREET LIGHTING SERVICE..... | 106 |
| ORNAMENTAL STREET LIGHTING SERVICE (SLS-O)..... | 108 |
| OUTDOOR AREA LIGHTING SERVICE | 110 |
| HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE - PN | 114 |
| MUNICIPAL STREET LIGHTING SERVICE (SLS-MUNI)..... | 117 |
| PRIVATE OUTDOOR LIGHTING SERVICE – (PLS) | 122 |
| HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE – (SLS-SV)..... | 125 |
| HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE; DIVIDED OWNERSHIP (SLS-SVD)..... | 127 |
| SCHEDULE 51 - STREET LIGHTING SERVICE | 130 |
| SCHEDULE 52 - OUTDOOR LIGHTING SERVICE..... | 135 |
| SCHEDULE 53 - STREET AND AREA LIGHTING..... | 136 |
| SCHEDULE 54 - STREET LIGHTING SERVICE | 141 |
| SCHEDULE 55 - AREA LIGHTING SERVICE – UNDERGROUND DISTRIBUTION..... | 145 |
| SCHEDULE 56 - STREET LIGHTING SERVICE - CUSTOMER-OWNED EQUIPMENT | 149 |
| SCHEDULE 57 – OUTDOOR LIGHTING EQUIPMENT, MAINTENANCE, AND UNMETERED SERVICE | 153 |
| SCHEDULE 58 – OUTDOOR LIGHTING MAINTENANCE, AND UNMETERED SERVICE | 161 |
| SCHEDULE 59 - OUTDOOR LIGHTING EQUIPMENT, AND MAINTENANCE SERVICE..... | 166 |
| SCHEDULE 71 – MERCURY VAPOR STREET AND HIGHWAY LIGHTING SERVICE | 173 |
| RIDER MATRIX | 175 |
| RIDERS..... | 176 |
| STATE TAX ADJUSTMENT SURCHARGE RIDER..... | 176 |
| TAX CUTS AND JOBS ACT VOLUNTARY SURCHARGE RIDER..... | 177 |
| UNIVERSAL SERVICE COST RIDER | 179 |
| NET METERING RIDER | 181 |

EMERGENCY ENERGY CONSERVATION RIDER..... 186
ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER..... 188
SMART METER TECHNOLOGIES CHARGE RIDER..... 192
PRICE TO COMPARE DEFAULT SERVICE RATE RIDER..... 196
HOURLY PRICING DEFAULT SERVICE RIDER..... 201
DEFAULT SERVICE SUPPORT RIDER 206
TIME-OF-USE DEFAULT SERVICE RIDER 214
PARTIAL SERVICES RIDER 216
COGENERATION & SMALL POWER PRODUCTION QUALIFYING FACILITY SERVICE RIDER 221
SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER..... 224
RENEWABLE ENERGY DEVELOPMENT RIDER..... 229
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER..... 232

DESCRIPTION OF TERRITORY

ADAMS COUNTY – Met-Ed and West Penn Rate Districts

Met-Ed Rate District

Boroughs of Abbottstown, Arendtsville, Bendersville, Biglerville, Bonneauville, East Berlin, Fairfield, Gettysburg, Littlestown, McSherrystown, New Oxford, York Springs.

Townships of Berwick, Butler, Conewago, Cumberland, Franklin, Freedom, Germany, Hamilton, Hamiltonban, Highland, Huntington, Latimore, Menallen, Mt. Joy, Mt. Pleasant, Oxford, Reading, Straban, Tyrone, Union.

West Penn Rate District

Borough of Carroll Valley.

Townships of Franklin, Hamiltonban, Liberty.

ALLEGHENY COUNTY – Penn Power and West Penn Rate Districts

Penn Power Rate District

Boroughs of Bradford Woods, Franklin Park.

Townships of Marshall, McCandless, Pine, Ross.

West Penn Rate District

Boroughs of Bethel Park, Brackenridge, Bridgeville, Cheswick, Elizabeth, Jefferson Hills, Lincoln, McDonald, Monroeville, Oakdale, Pleasant Hills, Plum, Springdale, Tarentum, West Elizabeth, White Oak.

Townships of East Deer, Elizabeth, Fawn, Findlay, Forward, Frazer, Harmar, Harrison, Indiana, North Fayette, Scott, South Fayette, South Park, South Versailles, Springdale, Upper St. Clair, West Deer.

DESCRIPTION OF TERRITORY (continued)

ARMSTRONG COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Township of Cowanshannock.

West Penn Rate District

City of Parker.

Boroughs of Apollo, Applewold, Atwood, Dayton, Elderton, Ford City, Ford Cliff, Freeport, Kittanning, Leechburg, Manorville, North Apollo, Rural Valley, South Bethlehem, West Kittanning, Worthington.

Townships of Bethel, Boggs, Bradys Bend, Burrell, Cadogan, Cowanshannock, East Franklin, Gilpin, Hovey, Kiskiminetas, Kittanning, Madison, Mahoning, Manor, North Buffalo, Parks, Perry, Pine, Plumcreek, Rayburn, Redbank, South Bend, South Buffalo, Sugarcreek, Valley, Washington, Wayne, West Franklin.

BEAVER COUNTY – Penn Power Rate District

Boroughs of Big Beaver, Darlington, Homewood, Koppel, New Galilee.

Townships of Chippewa, Darlington, Franklin, Marion, North Sewickley, South Beaver.

BEDFORD COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Bedford, Coaldale, Everett, Hopewell, Manns Choice, New Paris, Pleasantville, Rainsburg, Saxton, Schellsburg, St. Clairsville, Woodbury.

Townships of Bedford, Bloomfield, Broad Top, Colerain, East St. Clair, Harrison, Hopewell, Juniata, Kimmel, King, Liberty, Lincoln, Napier, Pavia, Snake Spring, South Woodbury, West Providence, West St. Clair, Woodbury.

West Penn Rate District

Borough of Hyndman.

Townships of Cumberland Valley, East Providence, Londonderry, Mann, Monroe, Southampton.

DESCRIPTION OF TERRITORY (continued)

BERKS COUNTY – Met-Ed Rate District

City of Reading.

Boroughs of Bally, Bechtelsville, Bernville, Birdsboro, Boyertown, Centerport, Fleetwood, Hamburg, Kenhorst, Kutztown, Laureldale, Leesport, Lenhartsville, Lyons, Mohnton, Mt. Penn, Shillington, Shoemakersville, St. Lawrence, Topton, West Reading, Womelsdorf, Wyomissing.

Townships of Albany, Alsace, Amity, Bern, Bethel, Brecknock, Centre, Colebrookdale, Cumru, District, Douglass, Earl, Exeter, Greenwich, Hereford, Jefferson, Longswamp, Lower Alsace, Maiden creek, Marion, Maxatawny, Muhlenberg, North Heidelberg, Oley, Ontelaunee, Penn, Perry, Pike, Richmond, Robeson, Rockland, Ruscombmanor, Spring, Tilden, Tulpehocken, Union, Upper Bern, Upper Tulpehocken, Washington, Windsor.

BLAIR COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

City of Altoona.

Boroughs of Bellwood, Duncansville, Hollidaysburg, Martinsburg, Newry, Roaring Spring, Tyrone, Williamsburg.

Townships of Allegheny, Antis, Blair, Catharine, Frankstown, Freedom, Greenfield, Huston, Juniata, Logan, North Woodbury, Taylor, Tyrone, Woodbury.

West Penn Rate District

Township of Snyder.

BRADFORD COUNTY – Penelec Rate District

Boroughs of Alba, Athens, Burlington, Canton, LeRaysville, Monroe, New Albany, Rome, Sayre, South Waverly, Sylvania, Towanda, Troy, Wyalusing.

Townships of Albany, Armenia, Asylum, Athens, Burlington, Canton, Columbia, Franklin, Granville, Herrick, LeRoy, Litchfield, Monroe, North Towanda, Orwell, Overton, Pike, Ridgebury, Rome, Sheshequin, Smithfield, South Creek, Springfield, Standing Stone, Stevens, Terry, Towanda, Troy, Tuscarora, Ulster, Warren, Wells, West Burlington, Wilmot, Windham, Wyalusing, Wysox.

BUCKS COUNTY – Met-Ed Rate District

Borough of Riegelsville.

Townships of Bridgeton, Durham, Nockamixon, Tinicum.

DESCRIPTION OF TERRITORY (continued)

BUTLER COUNTY – Penn Power and West Penn Rate Districts

Penn Power Rate District

Boroughs of Callery, Connoquenessing, Evans City, Harmony, Mars, Seven Fields, Valencia, Zelenople.

Townships of Adams, Connoquenessing, Cranberry, Forward, Jackson, Lancaster.

West Penn Rate District

City of Butler.

Boroughs of Bruin, Cherry Valley, Chicora, East Butler, Eau Claire, Fairview, Harrisville, Karns City, Petrolia, Portersville, Prospect, Saxonburg, Slippery Rock, West Liberty, West Sunbury.

Townships of Allegheny, Brady, Buffalo, Butler, Center, Cherry, Clay, Clearfield, Clinton, Concord, Connoquenessing, Donegal, Fairview, Franklin, Jefferson, Lancaster, Marion, Mercer, Middlesex, Muddy Creek, Oakland, Parker, Penn, Slippery Rock, Summit, Venango, Washington, Winfield, Worth.

CAMBRIA COUNTY – Penelec Rate District

City of Johnstown.

Boroughs of Ashville, Brownstown, Carrolltown, Cassandra, Chest Springs, Cresson, Daisytown, Dale, Ebensburg, Ehrenfeld, Ferndale, Franklin, Gallitzin, Geistown, Hastings, Lilly, Lorain, Loretto, Nanty Glo, Northern Cambria, Patton, Portage, Sankertown, Scalp Level, South Fork, Southmont, Tunnelhill, Vintondale, Westmont, Wilmore.

Townships of Adams, Allegheny, Barr, Blacklick, Cambria, Chest, Clearfield, Conemaugh, Cresson, Croyle, Dean, East Carroll, East Taylor, Elder, Gallitzin, Jackson, Lower Yoder, Middle Taylor, Munster, Portage, Reade, Richland, Stonycreek, Summerhill, Susquehanna, Upper Yoder, Washington, West Carroll, West Taylor, White.

CAMERON COUNTY – West Penn Rate District

Boroughs of Driftwood, Emporium.

Townships of Gibson, Grove, Lumber, Portage, Shippen.

DESCRIPTION OF TERRITORY (continued)

CENTRE COUNTY – Penelec, PSU and West Penn Rate Districts

Penelec Rate District

Boroughs of Philipsburg, Snow Shoe.

Townships of Burnside, Rush, Snow Shoe.

PSU Rate District

The Pennsylvania State University.

West Penn Rate District

Boroughs of Bellefonte, Centre Hall, Howard, Milesburg, Millheim, Port Matilda, State College, Unionville.

Townships of Benner, Boggs, College, Curtin, Ferguson, Gregg, Haines, Halfmoon, Harris, Howard, Huston, Liberty, Marion, Miles, Patton, Penn, Potter, Rush, Spring, Taylor, Union, Walker, Worth.

CHESTER COUNTY – Met-Ed District

Township of Warwick.

CLARION COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Callensburg, Foxburg, Knox, Shippenville, St. Petersburg.

Townships of Ashland, Beaver, Elk, Farmington, Highland, Knox, Licking, Paint, Richland, Salem, Washington.

West Penn Rate District

Boroughs of Clarion, East Brady, Hawthorn, New Bethlehem, Rimersburg, Sligo, Strattanville.

Townships of Brady, Clarion, Limestone, Madison, Millcreek, Monroe, Perry, Piney, Porter, Redbank, Toby.

DESCRIPTION OF TERRITORY (continued)

CLEARFIELD COUNTY – Penelec Rate District

City of DuBois.

Boroughs of Brisbin, Burnside, Chester Hill, Clearfield, Coalport, Curwensville, Glen Hope, Grampian, Houtzdale, Irvona, Mahaffey, New Washington, Newburg, Osceola Mills, Ramey, Troutville, Wallacetown, Westover.

Townships of Beccaria, Bell, Bigler, Bloom, Boggs, Bradford, Brady, Burnside, Chest, Cooper, Covington, Decatur, Ferguson, Girard, Goshen, Graham, Greenwood, Gulich, Huston, Jordan, Karthaus, Knox, Lawrence, Morris, Penn, Pike, Pine, Sandy, Union, Woodward.

CLINTON COUNTY – West Penn Rate District

Borough of Beech Creek.

Townships of Beech Creek, Chapman, East Keating, Gallagher, Grugan, Lamar, Leidy, Porter, West Keating.

CRAWFORD COUNTY – Penelec and Penn Power Rate Districts

Penelec Rate District

Cities of Meadville, Titusville.

Boroughs of Blooming Valley, Cambridge Springs, Centerville, Cochranon, Conneautville, Hydetown, Linesville, Saegertown, Spartansburg, Springboro, Townville, Venango, Woodcock.

Townships of Athens, Beaver, Bloomfield, Cambridge, Conneaut, Cussewago, East Fairfield, East Mead, Fairfield, Greenwood, Hayfield, Oil Creek, Pine, Randolph, Richmond, Rockdale, Rome, Sadsbury, Sparta, Spring, Steuben, Summerhill, Summit, Troy, Union, Venango, Vernon, Wayne, West Mead, Woodcock.

Penn Power Rate District

Borough of Conneaut Lake.

Townships of East Fallowfield, North Shenango, Sadsbury, South Shenango, Summit, West Fallowfield, West Shenango.

DESCRIPTION OF TERRITORY (continued)

CUMBERLAND COUNTY – Met-Ed and Penelec Rate Districts

Met-Ed Rate District

Borough of Mt. Holly Springs.

Townships of Cooke, Dickinson, Monroe, South Middleton.

Penelec Rate District

Boroughs of Newburg, Shippensburg.

Townships of Hopewell, Lower Frankford, Lower Mifflin, Shippensburg, Southampton, Upper Frankford, Upper Mifflin.

DAUPHIN COUNTY – Met-Ed Rate District

Boroughs of Middletown, Royalton.

Townships of Conewago, Derry, East Hanover, Londonderry, Lower Swatara.

ELK COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Townships of Millstone, Spring Creek.

West Penn Rate District

City of St. Marys.

Boroughs of Johnsonburg, Ridgway.

Townships of Benezette, Fox, Highland, Horton, Jay, Jones, Ridgway.

ERIE COUNTY – Penelec Rate District

Cities of Corry, Erie.

Boroughs of Albion, Cranesville, Edinboro, Elgin, Lake City, McKean, Mill Village, North East, Platea, Union City, Waterford, Wattsburg, Wesleyville.

Townships of Amity, Concord, Conneaut, Elk Creek, Fairview, Franklin, Girard, Greene, Greenfield, Harborcreek, Lawrence Park, Le Boeuf, McKean, Millcreek, North East, Springfield, Summit, Union, Venango, Washington, Waterford, Wayne.

DESCRIPTION OF TERRITORY (continued)

FAYETTE COUNTY – West Penn Rate District

Cities of Connellsville, Uniontown.

Boroughs of Belle Vernon, Brownsville, Dawson, Dunbar, Everson, Fairchance, Fayette City, Markleysburg, Masontown, Newell, Ohiopyle, Perryopolis, Point Marion, Smithfield, South Connellsville, Vanderbilt.

Townships of Brownsville, Bullskin, Connellsville, Dunbar, Franklin, Georges, German, Henry Clay, Jefferson, Lower Tyrone, Luzerne, Menallen, Nicholson, North Union, Perry, Redstone, Saltlick, South Union, Springfield, Springhill, Stewart, Upper Tyrone, Washington, Wharton.

FOREST COUNTY – Penelec Rate District

Borough of Tionesta.

Townships of Barnett, Green, Harmony, Hickory, Howe, Jenks, Kingsley, Tionesta.

FRANKLIN COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Borough of Orrstown.

Townships of Fannett, Letterkenny, Lurgan, Metal, Southampton.

West Penn Rate District

Boroughs of Chambersburg, Greencastle, Mercersburg, Mont Alto, Waynesboro.

Townships of Antrim, Greene, Guilford, Hamilton, Letterkenny, Montgomery, Peters, Quincy, St. Thomas, Warren, Washington.

FULTON COUNTY – West Penn Rate District

Boroughs of McConnellsburg, Valley-Hi.

Townships of Ayr, Belfast, Bethel, Brush Creek, Dublin, Licking Creek, Taylor, Thompson, Todd, Union, Wells.

GREENE COUNTY – West Penn Rate District

Boroughs of Carmichaels, Clarksville, Greensboro, Jefferson, Rices Landing, Waynesburg.

Townships of Aleppo, Center, Cumberland, Dunkard, Franklin, Freeport, Gilmore, Gray, Greene, Jackson, Jefferson, Monongahela, Morgan, Morris, Perry, Richhill, Springhill, Washington, Wayne, Whiteley.

DESCRIPTION OF TERRITORY (continued)

HUNTINGDON COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Alexandria, Birmingham, Broad Top City, Cassville, Coalmont, Dudley, Huntingdon, Mapleton, Marklesburg, Mill Creek, Mount Union, Orbisonia, Petersburg, Rockhill, Saltillo, Shade Gap, Shirleysburg, Three Springs.

Townships of Barree, Brady, Carbon, Cass, Clay, Cromwell, Dublin, Franklin, Henderson, Hopewell, Jackson, Juniata, Lincoln, Logan, Miller, Morris, Oneida, Penn, Porter, Shirley, Smithfield, Springfield, Spruce Creek, Tell, Todd, Union, Walker, Warriors Mark, West, Wood.

West Penn Rate District

Township of Franklin.

INDIANA COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Armagh, Blairsville, Cherry Tree, Clymer, Creekside, Ernest, Glen Campbell, Homer City, Indiana, Marion Center, Plumville, Shelocta, Smicksburg.

Townships of Banks, Black Lick, Brush Valley, Buffington, Burrell, Canoe, Center, Cherryhill, Conemaugh, East Mahoning, East Wheatfield, Grant, Green, Montgomery, North Mahoning, Pine, Rayne, South Mahoning, Washington, West Mahoning, West Wheatfield, White, Young.

West Penn Rate District

Borough of Saltsburg.

Townships of Armstrong, Conemaugh.

JEFFERSON COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Big Run, Brockway, Brookville, Corsica, Falls Creek, Punxsutawney, Reynoldsville, Summerville, Sykesville, Timblin, Worthville.

Townships of Barnett, Beaver, Bell, Eldred, Gaskill, Heath, Henderson, Knox, McCalmont, Oliver, Perry, Pine Creek, Polk, Porter, Rose, Snyder, Union, Warsaw, Washington, Winslow, Young.

West Penn Rate District

Townships of Clover, Ringgold.

DESCRIPTION OF TERRITORY (continued)

JUNIATA COUNTY – Penelec Rate District

Townships of Beale, Lack, Spruce Hill, Tuscarora.

LANCASTER COUNTY – Met-Ed Rate District

Borough of Adamstown.

Townships of Brecknock, Conoy, West Donegal.

LAWRENCE COUNTY – Penn Power Rate District

City of New Castle.

Boroughs of Bessemer, Ellport, Ellwood City, Enon Valley, New Beaver, New Wilmington, S.N.P.J., South New Castle, Volant, Wampum.

Townships of Hickory, Little Beaver, Mahoning, Neshannock, North Beaver, Perry, Plain Grove, Pulaski, Scott, Shenango, Slippery Rock, Taylor, Union, Washington, Wayne, Wilmington.

LEBANON COUNTY – Met-Ed Rate District

City of Lebanon.

Boroughs of Cleona, Cornwall, Jonestown, Mt. Gretna, Myerstown, Palmyra, Richland.

Townships of Annville, Bethel, Cold Spring, East Hanover, Heidelberg, Jackson, North Annville, North Cornwall, North Lebanon, North Londonderry, South Annville, South Lebanon, South Londonderry, Swatara, Union, West Cornwall, West Lebanon.

LEHIGH COUNTY – Met-Ed Rate District

Townships of Lowhill, Lynn, Weisenberg.

LYCOMING COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Townships of Cascade, Gamble, Jackson, Lewis, McIntyre, McNett, Plunketts Creek.

West Penn Rate District

Townships of Brown, Cogan House, Cummings, McHenry, Pine.

DESCRIPTION OF TERRITORY (continued)

McKEAN COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

City of Bradford.

Boroughs of Eldred, Lewis Run, Port Allegany.

Townships of Annin, Bradford, Ceres, Corydon, Eldred, Foster, Hamilton, Keating, Lafayette, Liberty, Otto.

West Penn Rate District

Boroughs of Kane, Mt. Jewett.

Townships of Hamlin, Norwich, Sergeant, Wetmore.

MERCER COUNTY – Penn Power Rate District

Cities of Farrell, Hermitage, Sharon.

Boroughs of Clark, Fredonia, Greenville, Grove City, Jackson Center, Jamestown, Mercer, New Lebanon, Sandy Lake, Sharpsville, Sheakleyville, Stoneboro, West Middlesex, Wheatland.

Townships of Coolspring, Deer Creek, Delaware, East Lackawannock, Fairview, Findley, French Creek, Greene, Hempfield, Jackson, Jefferson, Lackawannock, Lake, Liberty, Mill Creek, New Vernon, Otter Creek, Perry, Pine, Pymatuning, Salem, Sandy Creek, Sandy Lake, Shenango, South Pymatuning, Springfield, Sugar Grove, West Salem, Wilmington, Wolf Creek, Worth.

MIFFLIN COUNTY – Penelec Rate District

Boroughs of Burnham, Juniata Terrace, Kistler, Lewistown, McVeytown, Newton Hamilton.

Townships of Armagh, Bratton, Brown, Decatur, Derry, Granville, Menno, Oliver, Union, Wayne.

MONROE COUNTY – Met-Ed Rate District

Boroughs of Delaware Water Gap, East Stroudsburg, Stroudsburg.

Townships of Chestnuthill, Hamilton, Middle Smithfield, Price, Ross, Smithfield, Stroud.

MONTGOMERY COUNTY – Met-Ed Rate District

Townships of Douglass, Lower Pottsgrove, New Hanover, Upper Frederick, Upper Pottsgrove.

DESCRIPTION OF TERRITORY (continued)

NORTHAMPTON COUNTY – Met-Ed Rate District

City of Easton.

Boroughs of Bangor, Bath, Chapman, East Bangor, Glendon, Nazareth, Pen Argyl, Portland, Roseto, Stockertown, West Easton, Wilson, Wind Gap.

Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Lehigh, Lower Mt. Bethel, Lower Nazareth, Moore, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth, Washington, Williams.

PERRY COUNTY – Penelec Rate District

Borough of Blain.

Townships of Jackson, Toboyne.

PIKE COUNTY – Met-Ed Rate District

Townships of Delaware, Dingman, Lehman.

POTTER COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Galeton, Shinglehouse, Ulysses.

Townships of Abbott, Bingham, Genesee, Harrison, Hector, Pike, Sharon, Ulysses, West Branch.

West Penn Rate District

Boroughs of Austin, Coudersport, Oswayo.

Townships of Allegany, Clara, Eulalia, Hebron, Homer, Keating, Oswayo, Pleasant Valley, Portage, Roulette, Stewardson, Summit, Sweden, Sylvania, Wharton.

DESCRIPTION OF TERRITORY (continued)

SOMERSET COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Addison, Benson, Boswell, Callimont, Casselman, Central City, Confluence, Garrett, Indian Lake, Jennerstown, Meyersdale, New Baltimore, New Centerville, Paint, Rockwood, Salisbury, Seven Springs, Shanksville, Somerset, Stoystown, Ursina, Windber.

Townships of Addison, Allegheny, Black, Brothersvalley, Conemaugh, Elk Lick, Greenville, Jefferson, Jenner, Larimer, Lincoln, Lower Turkeyfoot, Middlecreek, Milford, Northampton, Ogle, Paint, Quemahoning, Shade, Somerset, Stonycreek, Summit, Upper Turkeyfoot.

West Penn Rate District

Borough of Wellersburg.

Townships of Fairhope, Southampton.

SULLIVAN COUNTY – Penelec Rate District

Boroughs of Dushore, Eagles Mere, Forksville, Laporte.

Townships of Cherry, Colley, Davidson, Elkland, Forks, Fox, Hillsgrove, Laporte, Shrewsbury.

SUSQUEHANNA COUNTY – Penelec Rate District

Boroughs of Friendsville, Great Bend, Hallstead, Hop Bottom, Lanesboro, Little Meadows, Montrose, New Milford, Oakland, Susquehanna Depot, Thompson.

Townships of Apolacon, Ararat, Auburn, Bridgewater, Brooklyn, Choconut, Dimock, Forest Lake, Franklin, Gibson, Great Bend, Harford, Harmony, Jackson, Jessup, Lathrop, Lenox, Liberty, Middletown, New Milford, Oakland, Rush, Silver Lake, Springville, Thompson.

TIOGA COUNTY – Penelec Rate District

Boroughs of Blossburg, Elkland, Knoxville, Lawrenceville, Liberty, Mansfield, Roseville, Tioga, Westfield.

Townships of Bloss, Brookfield, Charleston, Chatham, Clymer, Covington, Deerfield, Delmar, Duncan, Elk, Farmington, Gaines, Hamilton, Jackson, Lawrence, Liberty, Morris, Nelson, Osceola, Putnam, Richmond, Rutland, Shippen, Sullivan, Tioga, Union, Ward, Westfield.

DESCRIPTION OF TERRITORY (continued)

VENANGO COUNTY – Penelec Rate District

Cities of Franklin, Oil City.

Boroughs of Barkeyville, Clintonville, Cooperstown, Emlenton, Pleasantville, Polk, Rouseville, Sugarcreek, Utica.

Townships of Allegheny, Canal, Cherrytree, Clinton, Cornplanter, Cranberry, Frenchcreek, Irwin, Jackson, Mineral, Oakland, Oil Creek, Pinegrove, Plum, President, Richland, Rockland, Sandycreek, Scrubgrass, Victory.

WARREN COUNTY – Penelec Rate District

City of Warren.

Boroughs of Bear Lake, Clarendon, Sugar Grove, Tidioute, Youngsville.

Townships of Brokenstraw, Cherry Grove, Columbus, Conewango, Deerfield, Eldred, Elk, Farmington, Freehold, Glade, Limestone, Mead, Pine Grove, Pittsfield, Pleasant, Sheffield, Southwest, Spring Creek, Sugar Grove, Triumph, Watson.

WASHINGTON COUNTY – West Penn Rate District

Cities of Monongahela, Washington.

Boroughs of Allenport, Beallsville, Bentleyville, Burgettstown, California, Canonsburg, Centerville, Charleroi, Claysville, Coal Center, Cokeburg, Deemston, Donora, Dunlevy, East Washington, Elco, Ellsworth, Finleyville, Green Hills, Houston, Long Branch, Marianna, McDonald, Midway, New Eagle, North Charleroi, Roscoe, Speers, Stockdale, Twilight, West Brownsville, West Middletown.

Townships of Amwell, Blaine, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Bethlehem, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mt. Pleasant, North Bethlehem, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union, West Bethlehem, West Finley, West Pike Run.

WAYNE COUNTY – Penelec Rate District

Borough of Starrucca.

Townships of Buckingham, Manchester, Preston, Scott.

DESCRIPTION OF TERRITORY (continued)

WESTMORELAND COUNTY – Penelec and West Penn Rate Districts

Penelec Rate District

Boroughs of Bolivar, New Florence, Seward.

Townships of Derry, Fairfield, St. Clair.

West Penn Rate District

Cities of Arnold, Greensburg, Jeannette, Latrobe, Lower Burrell, Monessen, New Kensington.

Boroughs of Adamsburg, Arona, Avonmore, Delmont, Derry, Donegal, East Vandergrift, Export, Hunker, Hyde Park, Irwin, Laurel Mountain, Ligonier, Madison, Manor, Mt. Pleasant, Murrysville, New Alexandria, New Stanton, North Belle Vernon, North Irwin, Oklahoma, Penn, Scottdale, Smithton, South Greensburg, Southwest Greensburg, Sutersville, Vandergrift, West Leechburg, West Newton, Youngstown, Youngwood.

Townships of Allegheny, Bell, Cook, Derry, Donegal, East Huntingdon, Fairfield, Hempfield, Ligonier, Loyalhanna, Mt. Pleasant, North Huntingdon, Penn, Rostraver, Salem, Sewickley, South Huntingdon, St. Clair, Unity, Upper Burrell, Washington.

WYOMING COUNTY – Penelec Rate District

Boroughs of Laceyville, Meshoppen, Nicholson, Tunkhannock.

Townships of Braintrim, Eaton, Exeter, Falls, Forkston, Lemon, Mehoopany, Meshoppen, Nicholson, North Branch, Northmoreland, Tunkhannock, Washington, Windham.

YORK COUNTY- Met Ed Rate District

City of York.

Boroughs of Cross Roads, Dallastown, Dillsburg, Dover, Fawn Grove, Felton, Franklinton, Glen Rock, Goldsboro, Hallam, Hanover, Jacobus, Jefferson, Lewisberry, Loganville, Manchester, Mt. Wolf, New Freedom, New Salem, North York, Railroad, Red Lion, Seven Valleys, Shrewsbury, Spring Grove, Stewartstown, Wellsville, West York, Windsor, Winterstown, Wrightsville, Yoe, York Haven, Yorkana.

Townships of Carroll, Chanceford, Codorus, Conewago, Dover, East Hopewell, East Manchester, Fairview, Fawn, Franklin, Heidelberg, Hellam, Hopewell, Jackson, Lower Chanceford, Lower Windsor, Manchester, Manheim, Monaghan, Newberry, North Codorus, North Hopewell, Paradise, Penn, Shrewsbury, Spring Garden, Springettsbury, Springfield, Warrington, Washington, West Manchester, West Manheim, Windsor, York.

GENERAL RULES AND REGULATIONS

GENERAL APPLICATION

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

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

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

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

DEFINITIONS

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

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

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

Applicant - Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person at least 18 years of age not currently receiving service who applies for Residential Service or an adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term does not include a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location in the Company's service territory.

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

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

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

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

Commercial Customer Class - Rate Schedules GS-Small (excluding Special Rule GSDS), GS-Medium, H, MS, PNP, Borderline Service, and all Lighting Services.

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

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

Company - FirstEnergy Pennsylvania Electric Company.

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

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

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

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

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

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

Customer(s) - Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or an adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term includes a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location in the Company's service territory.

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

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

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

Delivery Service Customer - A Customer who takes Delivery Service.

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

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

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

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

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

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

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

Distribution Line - For Met-Ed and Penelec Rate Districts, an electric supply line and related equipment of 34,500 volt wye configured or lower voltage, for Penn Power Rate District, an electric supply line and related equipment of 34,500 volt delta configured or lower voltage and for West Penn Rate District, an electric supply line and related equipment of up to 100,000 voltage from which energy is delivered to one (1) or more Service Lines.

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

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

Energy Efficiency and Conservation Charge - A reconcilable, non-by-passable charge applied to each billing unit during a billing month to Delivery Service Customers, with the exception of those served under Borderline Service, pursuant to the terms of the Energy Efficiency and Conservation Rider.

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

FERC - The Federal Energy Regulatory Commission.

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

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

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

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

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

Industrial Customer Class - Rate Schedules GS-Large, GP, TP, GS-Small (Special Rule GSDS), and Schedules 44 and 46.

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

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

Kilowatt (KW or kW) - 1,000 watts.

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

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

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

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

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

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

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

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

On-Peak Hours - For the Met-Ed Rate District, the On-peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays. If the Customer does not select the On-Peak hours within 30 days of the receipt of notice to do so, the On-Peak hours will default to 8a.m. to 8 p.m.

For Penelec Rate District, the On-Peak Hours shall be from 8:00 a.m. to 8:00 p.m., prevailing times, Monday through Friday excluding holidays.

For the Penn Power Rate District, the On-Peak hours shall be from 8:00 a.m. to 9:00 p.m., prevailing times, Monday through Friday, excluding holidays.

For the West Penn Rate District, the On-peak hours shall be from 7:00 a.m. to 10:00 p.m., prevailing times, Monday through Saturday.

All other hours shall be Off-peak. The Off-Peak holidays for the Met-Ed Rate District are New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The Off-Peak holidays for the Penelec Rate District are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The Off-Peak holidays for the Penn Power Rate District are New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

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

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

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

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

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

Primary Voltage - Voltage greater than 600 volts.

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

Rate District – Met-Ed (“ME”), Penelec (“PN”), Penn Power (“PP”), West Penn (“WP”) and The Pennsylvania State University (“PSU”) which is part of the WP Rate District.

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

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

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

Residential Customer Class - Rate Schedules RS and GS-V.

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

Secondary Voltage - Voltage of 600 volts or less.

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

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

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

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

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

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

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

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

Summer - The calendar months of June through September.

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

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

Transmission Voltage - For Penelec Rate District, voltage equal to or greater than 46,000 volts. For Met-Ed and Penn Power Rate Districts voltage equal to or greater than 69,000 volts. For West Penn Rate District voltage greater than 100,000 volts.

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

Universal Service Charge - The charge developed and calculated in accordance with the Universal Service Cost Rider.

GENERAL RULES AND REGULATIONS, DEFINITIONS (continued)

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

GENERAL RULES AND REGULATIONS

HOW TO OBTAIN SERVICE/CHANGES TO SERVICE

1. Applications/Contracts

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

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

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

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

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

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

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

GENERAL RULES AND REGULATIONS

1. Applications/Contracts (continued)

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

2. Deposits

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

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

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

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

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

GENERAL RULES AND REGULATIONS

3. Right-of-Way

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

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

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades

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

a. Line Extensions

(1) Non-Speculative Single Phase Line Extension

Company Obligations

As used in this Rule 4, an overhead span of conductor is approximately equal to 250 feet. The Company shall construct, own and maintain all Line Extensions. The Company shall provide an Applicant, at no charge, up to three (3) spans of conductor, three (3) poles and related material along Public Right-of-Way for each Line Extension, including the Service Line. The Company shall provide an Applicant, at no charge, one (1) span of conductor and related material on Private Right-of-Way for each Line Extension, including the Service Line, to serve a Permanent Residential Customer. The number of spans provided to an Applicant/Customer at no charge shall be referred to in this Rule 4 as the span allowance. The Company's engineering layout shall be the sole basis used for determining the design of the Line Extension and/or Service Line. Any additional Line Extension and/or Service Line costs in excess of those costs assumed by the Company under this Tariff shall be borne by the Applicant/Customer.

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

- (a) The Company's receipt and acceptance of an application for electric service.
- (b) Execution by the Company and the Applicant/Customer of appropriate agreements for electric service and/or Line Extensions, and the payment by the Applicant/Customer of any and all associated costs or charges.

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

- (c) The Applicant/Customer requesting the Line Extension and/or Service Line has furnished to the Company rights-of-way, easements and/or permits on, over, across, under and/or through the Applicant's/Customer's property that are necessary for the construction, maintenance and operation of the Line Extension and/or Service Line in accordance with Rule 3 of this Tariff and which are in such form and substance satisfactory and acceptable to the Company.

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

Applicant Obligations

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

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

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

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

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

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

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

Company Obligations

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

The Company shall require for Developments which qualify under this Rule 4a(2) (Underground Electric Service in New Residential Developments) and Rule 4a(3), (Speculative Single Phase and All Three-Phase Line Extensions and Service Lines) a CIAC or Cash Advance from the Applicant covering the Company's total estimated direct and indirect costs associated with providing the Line Extension to the tract of land being developed or within 100 feet of the boundary of Development. This includes, but is not limited to, cost associated with addressing suitability and availability of existing facilities. After the connection of Customers, external to the Development, to the Line Extension, a refund of the Cash Advance shall be made to the Applicant in accordance with Rule 4a(3) (Speculative Single Phase and All Three-Phase Line Extensions and Service Lines).

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

Developer Obligations

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

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

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

- (a) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the Developer and is acceptable to the Company.
- (b) A change in the plot plan by the Developer for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
- (c) Physical characteristics such as, but not limited to, oversized lots or lots with extreme setback.

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

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

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

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

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

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

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

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

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

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

b. Temporary Service

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

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

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

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

Company Obligations

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

(1) Pole Removal or Relocation for Residential Customers

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

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

(2) Relocation of, or Modification to, Company Facilities for Non-Residential Customers

When requested or required by the action of a customer or a third party, relocation of Company facilities, except those covered under Section a of this Rule, the Company may request a Non-Residential Customer or other person or entity to pay to the Company in advance the estimated cost to perform such work. The Company shall bill Non-Residential Customers or other person or entity the total cost of the work, including the total direct and indirect costs.

Customer Obligations

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

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

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

GENERAL RULES AND REGULATIONS

4. Extension of Company Facilities: System Upgrades (continued)

Non-Residential Property Owner

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

5. Taxes on Applicant/Customer Advances

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

6. Proof of Inspection

The Company will not connect or furnish electric service to or for completed construction, addition, alteration, repair of a building, electric service upgrade or electric service disconnected for greater than twelve months unless a written certificate of approval, satisfactory to the Company, has been received from a competent inspection agency authorized to perform this service in the specific locality in which service is to be provided.

GENERAL RULES AND REGULATIONS

7. Wiring, Apparatus and Inspection

Company Obligations

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

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

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

Applicant/Customer Obligations

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

GENERAL RULES AND REGULATIONS

7. Wiring, Apparatus and Inspection (continued)

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

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

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

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

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

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

GENERAL RULES AND REGULATIONS

8. Metering

Company Obligations

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

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

The Company's grandfathered advanced meters, meter-related devices or networks are contained in the Pennsylvania Public Utility Commission's Advanced Meter Catalog.

GENERAL RULES AND REGULATIONS

8. Metering (continued)

Customer Obligations

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

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

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

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

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

BILLING CONSIDERATIONS

9. Access to Customer Premises

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

GENERAL RULES AND REGULATIONS

10. Meter Reading and Rendering of Bills

a. Meter Reading

- (1) Meters shall be read and bills for service shall be rendered monthly by the Company based upon its meter reading and billing schedule, except as otherwise provided in this Tariff. The Company reserves the right to read meters in all or any part of its service area on bi-monthly schedules for residential customers consistent with Chapter 56 of the Commission's regulations, and quarterly for other rate classes, and to render standard bills for the recorded use of service based upon the time interval between meter readings. In addition, the Company may elect to read meters in all or any part of its service area less frequently than on a quarterly schedule and to render standard bills for the recorded use of service based upon the time interval between meter readings for (i) General Service Customers with constant use patterns such as, but not limited to, billboards, traffic signals, and pumps, and (ii) Seasonal Customers such as, but not limited to, camps and cottages.
- (2) At a Customer's request, not more than one (1) time per calendar year, the Company shall provide at no cost to the Customer, the Customer's historical billing data for the most recent twelve (12) months for which such data is available. If a Customer requests billing data (i) for a period earlier than the most recent twelve (12) months for which the data is available or (ii) in greater detail than normally maintained by the Company and provided to Customers, the Company may provide such additional data to the Customer, reserving the right to charge Customers an additional amount for historical billing beyond the most recent twelve (12) months to offset the costs of providing the service.

b. Rendering of Bills

(1) Estimated Bills

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

The Company will accept Customer-supplied meter readings in lieu of an estimated meter reading by telephone or through the Company's internet website. If the Customer-supplied reading is received by the Company within the timeframe prescribed on the customer's monthly bill, the charges for such month will be computed from the Customer-supplied meter reading instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a Customer.

GENERAL RULES AND REGULATIONS

10. Meter Reading and Rendering of Bills (continued)

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

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

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

(2) Summary Billing

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

(3) Special Billing

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

GENERAL RULES AND REGULATIONS

10. Meter Reading and Rendering of Bills (continued)

(4) Equal Payment Plan

The Equal Payment Plan (EPP) for Residential Customers is designed to make monthly payments consistent throughout an entire year, leveling out seasonal highs and lows. At the request of a Delivery Service Residential Customer, the Company shall estimate the Customer's Delivery Service Charges for a twelve (12) month period. The EPP is calculated by adding the total of the dollars invoiced for, at a minimum, the previous 355 days. This amount is divided by the number of days in the twelve-month invoice history, the result of which is then multiplied by 30.4. These amounts are reviewed every three months. Customer's EPP payment amounts are adjusted if the actual cost of service is lower or higher than the monthly estimated amount where: the percent difference is greater than or equal to 25% OR the dollar difference is greater than or equal to \$10. The review process occurs automatically during the invoice process in the appropriate month. If the review results in a change of the EPP amount, the information will be placed on the invoice advising the customer of the new amount and the next month's invoice will reflect the new amount. During the twelfth month, the anniversary bill will be presented. An information box will be placed on the invoice advising the Customer of the new amount. The Customer is responsible for the current EPP charge plus the difference in the EPP plan. A resulting reconciliation amount exceeding One-Hundred Dollars (\$100.00) will be amortized consistent with applicable regulations upon request of the Customer. If a credit exists at the true-up month, it will be cleared against the current month amount. If a Customer fails to pay an outstanding bill by the time its next monthly bill is rendered, the Company may terminate that Customer's Equal Payment Plan arrangements.

GENERAL RULES AND REGULATIONS

10. Meter Reading and Rendering of Bills (continued)

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

(5) Combined Billing

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

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

(6) Consolidated Billing

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

(7) Minimum Charge

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

(8) Transformer Losses Adjustment

The Company may, at its option, meter its service at Primary Voltage of Company- owned transformers or at the Secondary Voltage of Customer-owned transformers. In such cases, the applicable demand and energy charges shall be increased (in the case of metering at Secondary Voltage) or decreased (in the case of metering at Primary Voltage) by two and one-half percent (2.5%) to compensate for transformer losses. PSU Rate District is not subject to Transformer Loss Adjustment with their current transformer configuration.

GENERAL RULES AND REGULATIONS

10. Meter Reading and Rendering of Bills (continued)

(9) Power Factor/kilovar Billing

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

(10) Billing for Vandalism, Theft or Deception

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

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

(11) Billing Errors

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

GENERAL RULES AND REGULATIONS

11. Payment of Bills

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

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

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

a. Due Dates

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

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

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

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

b. Late Payment Charges

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

GENERAL RULES AND REGULATIONS

11. Payment of Bills (continued)

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

c. Allocation of Payments

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

d. Delinquent Accounts

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

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

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

GENERAL RULES AND REGULATIONS

11. Payment of Bills (continued)

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

e. **Winter Termination – Determining Income Eligibility for Winter Termination**

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

12. Administrative Charges

a. **Service Charges**

Every Applicant or Customer, new or succession, who has its Delivery Service initiated or reconnected shall pay a service charge to the Company: Met-Ed Twelve Dollars and Fifty Cents (\$12.50) and Penelec Nine Dollars and Fifty Cents (\$9.50).

b. **Dishonorable Check Charges**

If a check or electronic transfer of funds received by the Company in payment of a Customer's account is returned unpaid or denied to the Company by the Customer's bank, a charge for the returned check shall be added by the Company to the Customer's account and the Customer shall pay this amount to the Company in addition to all other applicable charges: Met-Ed a Fifteen Dollar (\$15.00) and Penelec a Twelve Dollar (\$12.00) charge.

c. **Reconnect Charges**

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

Every Residential Customer that requests a connection or a reconnection shall pay the Company a fee of: Met-Ed Thirty-Six Dollars (\$36.00), Penelec Thirty-Two Dollars (\$32.00), Penn Power and West Penn Thirty Dollars (\$30.00).

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

GENERAL RULES AND REGULATIONS

13. Determination of Demand

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

INDIVIDUALIZED SERVICES

14. Individualized Contracts

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

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

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

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

GENERAL RULES AND REGULATIONS

14. Individualized Contracts (continued)

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

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

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

15. Company Facilities, Services and Products

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

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

GENERAL RULES AND REGULATIONS

16. Auxiliary Power Sources and Readiness to Serve

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

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

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

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

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

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

17. Interconnection, Safety & Reliability Requirements

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

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

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

- a. Plans, specifications and location of the proposed installation.
- b. Single line diagrams and details of the proposed protection schemes.

GENERAL RULES AND REGULATIONS

17. Interconnection, Safety & Reliability Requirements (continued)

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

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

EMERGENCY CONDITIONS

18. Load Control

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

GENERAL RULES AND REGULATIONS

19. Energy Conservation

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

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

MISCELLANEOUS PROVISIONS

20. Discontinuance

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

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

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

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

GENERAL RULES AND REGULATIONS

20. Discontinuance (continued)

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

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

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

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

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

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

GENERAL RULES AND REGULATIONS

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

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

22. Transfer of Electric Generation Supplier

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

23. Electric Vehicle Charging

Electric vehicle charging at third-party owned electric vehicle charging stations shall not be considered resale of electricity as described in 66 Pa. C.S. § 1313. A third-party owned electric vehicle charging station is defined as a charging station owned by a third party open to the public for the sole purpose of electric vehicle charging. An electric vehicle is defined as any vehicle licensed to operate on public roadways that is propelled in whole or in part by electric energy stored on-board for the purpose of propulsion. Types of electric vehicles include, but are not limited to, plug-in hybrid electric vehicles and battery electric vehicles. Electric vehicle charging stations shall be constructed in accordance with the National Electrical Code and the Company's service installation policies. The station must be designed to protect against back flow of electricity to the Company's electrical distribution circuit as required by Company rules. The Customer, who may be either the owner or the host of the third-party owned electric vehicle charging station, shall notify the Company at least one hundred twenty (120) days in advance of the planned installation date and may be required to install metering for the station as determined by the Company. The Customer shall be responsible for all applicable Tariff rates, fees and charges.

RATE SCHEDULES

**RATE RS
RESIDENTIAL SERVICE**

AVAILABILITY:

Met-Ed and Penelec

This Rate is available to Residential Customers using the Company's standard, single phase service through a single meter including not more than 2,000 watts of non-residential connected load served through the same meter.

Penn Power

Available for Residential Service using the Company's standard, single phase service, to installations served through one meter for each family unit in a residence or apartment. When service is used through the same meter for both residential and commercial purposes the General Service rate schedule shall apply.

West Penn

Available for single-phase service to a single-family residence served through one meter. Combination residential and commercial service may be taken on this Rate when the entire service is taken through one meter and the total commercial connected load does not necessitate upgrade of service facilities. This Rate is available for single-phase service to farms when supplied along with service for the residence through one meter.

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|---------------------|------------------------|------------------------|------------------------|------------------------|
| Customer Charge | \$11.25 | \$11.25 | \$11.00 | \$7.44 |
| Per kWh for all kWh | 4.800 cents per kWh | 6.074 cents per kWh | 4.437 cents per kWh | 3.487 cents per kWh |

RIDERS:

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

RATE SCHEDULES, RATE RS (continued)

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge listed in the General Monthly Charges section of this rate schedule plus distribution energy charges and charges related to applicable riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

EQUAL PAYMENT PLAN:

As per Rule 10b(4), Equal Payment Plan.

SPECIAL MONTHLY CHARGES FOR LOADS IN EXCESS OF 25 KILOWATTS:

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

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

| | | | | |
|---------------|------------------|------------------|------------------|------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Demand Charge | \$2.72 per kW | \$2.91 per kW | \$1.88 per kW | \$2.46 per Kw |

GENERAL PROVISIONS:

| | General Provision Matrix | | | | | | | |
|------------|--------------------------|-------|-------|-------|-------|-------|---|---|
| | A (1) | A (2) | A (3) | B (1) | B (2) | B (3) | C | D |
| Met-Ed | X | | | X | | | | |
| Penelec | | X | | | | | | |
| Penn Power | | | | | X | | X | |
| West Penn | | | X | | | X | | X |

RATE SCHEDULES, RATE RS (continued)

A. SERVICE TO EXISTING STRUCTURES CONVERTED FOR MULTIPLE OCCUPANCY:

- (1) May be supplied through a single meter at the Company's option provided that the Company's prior consent has been obtained. This provision shall be limited to no more than eight (8) apartments or dwelling units continually served as such prior to September 18, 1978 and no more than two (2) apartments or dwelling units after September 18, 1978.
- (2) May be supplied through a single meter provided that the Company's prior consent has been obtained. This provision shall be limited to no more than five (5) apartments or dwelling units continually served as such prior to January 27, 1979.
- (3) When two or more residential units up to a maximum of five units are supplied through a single meter, each shall be classed as a Single Family Residence, and the above appropriate Monthly Rate shall apply to each.

B. RESIDENTIAL FARM CUSTOMERS:

- (1) Customers using the Company's service to a farm residence for residential purposes and, at the Customer's option, using such service for associated incidental "general farm uses" (including milk production) outside the dwelling unit shall be considered Residential Farm Customers. Where the Company has made a commitment to existing Customers prior to January 13, 1986, electric service through the farm residence meter may be used for "specialized farm operations" such as broiler raising, egg-laying houses, hatcheries, mushroom growing, greenhouses and similar specialized operations which produce items for sale or produce items for others on a contract basis. Those Customers who choose an EGS and then return to the Company for their energy supply shall be billed under the appropriate General Service Rate. Electric service used in storing, processing, preparing or distributing products not raised on that farm shall not be considered as Residential Service and shall be separately metered and billed on the applicable Rate GS Rate Schedules.
- (2) This rate schedule shall also apply for service to a farm for residential purposes and the usual farm uses outside the dwelling unit, but not if the use extends to operations of a commercial nature, such as stores, restaurants, gasoline stations, automobile service stations, repair shops or any other nonfarming operation. Where a portion of the farm is used in the processing, preparing or distribution of products not raised on that farm, or for a hatchery, dairy, greenhouse or any other specialized operation, unless such operation is incidental to the usual residential and farm uses, the customer may, at his option, provide separate circuits so that the service used in that portion may be metered and billed separately under the applicable schedule. If such separate circuits are not provided, the entire service will be billed under the General Service rate schedule. Additional dwelling units on the farm shall be metered separately or shall be supplied under the terms of this rate schedule which provide that for multifamily installations the energy blocks shall be multiplied by the number of family units served.
- (3) This schedule is available for single-phase service to farms when supplied along with service for the residence through one meter.

RATE SCHEDULES, RATE RS (continued)

- C. **MULTIPLE METERING:** Certain residential usage may be separately metered as a result of legal requirements (e.g., Act 54 of 1993) but not be associated with a family unit (e.g., common furnace in multiple family dwelling). In such instances the usage may be considered as residential service for billing purposes. Additional residential service that, due to wiring restrictions, requires a separately metered service and is located on the same property as the residential customer's dwelling unit but is not associated with a family unit (e.g., detached garage) may also be considered as residential service for billing purposes.
- D. **COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:** Multiplying Customers' on-peak metered energy by 1.09333 and off-peak metered energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE GS-SMALL
GENERAL SERVICE SECONDARY - NON DEMAND METERED**

AVAILABILITY:

Met-Ed & Penelec

Available to non-Residential Customers without demand meters that use electric service through a single delivery location for lighting, heating and/or power service. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

If an existing Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Small. Based upon the Company's then estimate of the Customer's new demand, the Customer shall be placed on Rate Schedule GS-Medium or such other Rate Schedule for which such Customer most qualifies.

Penn Power & West Penn

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

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|----------------------------|------------------------|------------------------|------------------------|------------------------|
| Customer Charge | \$21.88 | \$18.33 | \$24.89 | \$9.52 |
| Per kWh for all billed kWh | 4.069 cents per kWh | 3.624 cents per kWh | 3.623 cents per kWh | 3.529 cents per kWh |

RIDERS:

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Price to Compare Default Service Rate Rider applies unless the Customer elects to receive Default Service from the Company under the Hourly Pricing Default Service Rider.

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge listed in the General Monthly Charges section of this rate schedule plus distribution energy charges and charges related to applicable riders.

RATE SCHEDULES, RATE GS-SMALL (continued)

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

GENERAL PROVISIONS: Each applicable provision is marked within the table.

| | General Provision Matrix | | | | | | | |
|------------|--------------------------|-------|-------|---|---|---|---|---|
| | A (1) | A (2) | A (3) | B | C | D | E | F |
| Met-Ed | X | | | | X | | | |
| Penelec | X | | | | X | | | |
| Penn Power | | | X | X | X | | | X |
| West Penn | | X | | | | X | X | |

A. TERMS OF CONTRACT:

- (1) Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.
- (2) Customers may leave the firm service provision of this rate once in a twelve (12) month period. Service other than firm service is supplied under this rate when Customer advances the net cost of connection and disconnection under the provisions of the applicable financing plan. Charges will be increased 10%. Service shall not be available for standby or maintenance service such as that required for alternative generation facilities.
- (3) Customers taking secondary service on this schedule will require a written application on the Company's standard application form. All others served secondary, primary or transmission voltage and including those requiring extension of distribution facilities, will require a written contract which by its terms shall be in full force thereafter from year to year unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any of said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one (1) year term as specified above will be placed on this rate schedule.

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

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

RATE SCHEDULES, RATE GS-SMALL (continued)

- D. **FLUCTUATING LOAD:** When Company installs local transformer capacity to supply a highly fluctuating load, a facility charge of 2.1% net per month of the cost of additional transformer capacity required by the highly fluctuating load shall be made.
- E. **SINGLE FAMILY RESIDENCE:** A single family residence located within an establishment used also for other purposes may be separated electrically and billed as a separate connection under the appropriate residential rate schedule if Customer so desires.
- F. **THREE PHASE:** Alternating current, 60 hertz, standard single phase or three phase three-wire or four-wire secondary service, as available. Single and three phase service will be metered and billed separately or, where feasible, single and three phase service will be furnished through a single meter installation and billed as one account provided the customer arranges his wiring to facilitate the installation of a single meter. Where service is furnished at three phase, the customer shall provide and maintain all equipment required for lighting services.

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE GS-V
VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE SERVICE,
RESCUE SQUAD AND SENIOR CENTER SERVICE RATE**

AVAILABILITY:

This Rate Schedule is restricted to Volunteer Fire Companies, Non-Profit Ambulance Services, Non-Profit Rescue Squads and Non-Profit Senior Citizen Centers that sign a one (1) year contract.

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|---------------------|------------------------|------------------------|------------------------|------------------------|
| Customer Charge | \$11.25 | \$11.25 | \$11.00 | \$7.44 |
| Per kWh for all kWh | 4.800 cents per kWh | 6.074 cents per kWh | 4.437 cents per kWh | 3.487 cents per kWh |

RIDERS:

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge listed in the General Monthly Charges section of this rate schedule plus distribution energy charges and charges related to applicable riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

RATE SCHEDULES, RATE GS-V (continued)

SPECIAL MONTHLY CHARGES FOR LOADS IN EXCESS OF 25 KILOWATTS:

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

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

| | | | | |
|---------------|------------------|------------------|------------------|------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Demand Charge | \$2.72 per kW | \$2.91 per kW | \$1.88 per kW | \$2.46 per Kw |

TERM OF CONTRACT:

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

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE GS-MEDIUM
GENERAL SERVICE SECONDARY – DEMAND METERED**

AVAILABILITY:

Available to Non-Residential Customers that use electric service through a single delivery location for lighting, heating and/or power service up to 400 kW demand. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer’s request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

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

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

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

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | | Penelec | | Penn Power | West Penn |
|-------------------------------------|---------|---------|---------|---------|------------|-----------|
| | Single | Three | Single | Three | All | All |
| Customer Charge | \$24.07 | \$43.03 | \$19.58 | \$39.38 | \$26.87 | \$18.91 |
| Per kW for all billing kW | \$5.11 | \$5.11 | \$6.30 | \$6.30 | \$3.40 | \$2.81 |
| Per kVAr of reactive billing demand | | \$0.20 | | \$0.20 | \$0.20 | \$0.18 |
| Energy: cents per kWh for all kWh | | | | | | 0.400 |

RIDERS:

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on page 175.

RATE SCHEDULES, RATE GS-MEDIUM (continued)

DEFAULT SERVICE CHARGES:

For Rate Schedule GS-Medium (PTC) Customers receiving Default Service from the Company, the Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under the Hourly Pricing Default Service Rider. For Rate Schedule GS-Medium (HP) Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

DETERMINATION OF RATE SCHEDULE GS-MEDIUM (PTC) AND GS-MEDIUM (HP):

Rate Schedule GS-Medium (PTC): Customers receiving service under this Rate Schedule with a kW Demand less than 100 kW.

Rate Schedule GS-Medium (HP): Customers receiving service under this Rate Schedule with a kW Demand equal to or greater than 100 kW.

The Customer's demand used for the determination of the default service rider that the customer should be billed under if receiving Default Service from the Company shall be determined as follows: effective June 1st of each year, a review of the measured demand for the period April 1st of the preceding year to March 31st of the current year will be conducted. Based on the review, if the measured demand in any twelve months is less than 100 kW, then the Customer shall receive Default Service under the provisions of the Price to Compare Default Service Rate Rider. Otherwise, the Customer will receive Default Service under the provisions of the Hourly Pricing Default Service Rider.

DETERMINATION OF BILLING DEMAND:

The Company shall install suitable demand meters to determine the maximum 15-minute integrated demand when (i) the connected load being served equals fifteen (15) kilowatts or more, or (ii) the Company estimates that a demand greater than five (5) kilowatts will be established. The Company may install a demand meter on new or upgraded electric services.

A determination of connected load or estimated demand may be made by the Company at any time and shall be made when the Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months in the most recent twelve-month period.

RATE SCHEDULES, RATE GS-MEDIUM (continued)

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

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

REACTIVE BILLING DEMAND:

Reactive Billing Demand, measured in kVAr, shall be the integrated reactive demand occurring coincident with the Billing Demand.

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge plus the demand charge at current rate levels times the Billing Demand, plus Distribution Charges plus any charges stated in or calculated by any applicable Rider.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

RATE SCHEDULES, RATE GS-MEDIUM (continued)

GENERAL PROVISIONS:

| General Provision Matrix | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|---|
| | A (1) | A (2) | B (1) | B (2) | C (1) | C (2) | D |
| Met-Ed | X | | X | | X | | |
| Penelec | X | | | X | X | | |
| Penn Power | | | | | | | |
| West Penn Power | | X | | | | X | X |

A. TERMS OF CONTRACT:

- (1) Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer’s capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.
- (2) Minimum of one year, except if Monthly Service is supplied under this Schedule when Customer advances the net cost of connection and disconnection under the provisions of the applicable financing plan. Charges shall be increased 10% and the Minimum Charge based on 100% of the Agreement Capacity shall be waived. Monthly Service shall not be available for standby or maintenance service such as that required for alternative generation facilities.

B. COMBINED BILLING:

- (1) THIS PROVISION HAS BEEN RESTRICTED TO PRESENT LOCATIONS SINCE SEPTEMBER 18, 1978. Only one standard single phase metered service and one standard three-phase metered service, each in excess of five (5) kW measured demand for each service, shall be supplied at one contract location, and when so supplied the energy and demand registrations of the separate meters shall be determined separately and may be added for billing purposes when the use of capacity on each service will remain in excess of five (5) kW for each month of the contract year. Each separate and non-contiguous point of delivery or service installation shall be considered a contract location and shall be metered and billed under a separate service contract.
- (2) THIS PROVISION IS RESTRICTED AS OF JUNE 18, 1976, to existing Customers and loads at existing locations. Combined Billing will not be permitted except where Customers are supplied with single phase and three-phase service at secondary voltages at a single location. In such instances, only one (1) single phase and one (1) three-phase service may be combined for billing purposes. Customer locations and loads may not continue to be billed under this Provision B (2) (i) if the Customer increases the capacity of either service entrance wiring, or (ii) the Customer increases the electrical load in the facility necessitating a change in the Company’s facilities. Billing demand shall be the sum of the individual demands of each metered service. The individual demand of each metered service shall be determined separately.

RATE SCHEDULES, RATE GS-MEDIUM (continued)

C. SERVICE AT PRIMARY VOLTAGE:

- (1) Customers served at Primary Voltage shall have the option to be billed under this Rate GS-Medium for any of the following conditions:
 - (a) A Customer with an estimated maximum demand of 1,000 kW or less and requiring Primary Service at a voltage less than the nearest Primary Voltage system.
 - (b) Customer's maximum billing demand does not exceed 100 kW for more than two (2) consecutive months in any 12-month period and service is supplied through a Customer-owned transformer at the nearest available Primary Voltage System.
- (2) Customers serviced at Primary Voltage shall have the option to be billed under this Rate Schedule if the Customer's maximum billing demand does not exceed 400 kW for two (2) consecutive months and service is supplied through a Customer-owned transformer at the available Primary Voltage.

- D. FLUCTUATING LOAD:** When Company installs local transformer capacity to supply a highly fluctuating load, a facility charge of 2.1% net per month of the cost of additional transformer capacity required by the highly fluctuating load shall be made.

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE GS-LARGE
GENERAL SERVICE SECONDARY**

AVAILABILITY:

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

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

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|-------------------------------------|----------|----------|------------|-----------|
| Customer Charge | \$270.09 | \$204.79 | \$130.07 | \$145.82 |
| Per kW for all billed kW | \$4.16 | \$6.68 | \$4.36 | \$3.99 |
| Per kVAR of reactive billing demand | \$0.20 | \$0.19 | \$0.20 | \$0.18 |

RIDERS:

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

RATE SCHEDULES, RATE GS-LARGE (continued)

DETERMINATION OF BILLING DEMAND:

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

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

REACTIVE BILLING DEMAND:

Reactive Billing Demand, measured in kVAr, shall be the integrated reactive demand occurring coincident with the Billing Demand.

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge plus the demand charge at current rate levels times the Billing Demand, plus Distribution Charges plus any charges stated in or calculated by any applicable Rider.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

RATE SCHEDULES, RATE GS-LARGE (continued)

GENERAL PROVISIONS:

| General Provision Matrix | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|---|
| | A (1) | A (2) | B (1) | B (2) | C (1) | C (2) | D |
| Met-Ed | X | | | | | | |
| Penelec | X | | X | | X | | |
| Penn Power | | | | X | | | |
| West Penn | | X | | | | X | X |

A. TERMS OF CONTRACT:

- (1) Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.
- (2) Minimum of one year, except if Monthly Service is supplied under this Schedule when Customer advances the net cost of connection and disconnection under the provisions of the applicable financing plan. Charges shall be increased 10% and the Minimum Charge based on 100% of the Agreement Capacity shall be waived.

B. COMBINED BILLING:

- (1) This Provision is restricted as of June 18, 1976, to existing loads at existing locations. Combined Billing shall be permitted for three-phase multi-metered points at secondary voltages established prior to June 18, 1976. The billing demand shall be the sum of the individual demands of each metered service. Customer locations and loads may not continue to be billed under this General Provision: (i) if the Customer increases the capacity of either service entrance wiring, or (ii) the Customer increases the electrical load in the facility necessitating a change in the Company's facilities.
- (2) For those Customers that were previously on the Optional Controlled Service Rider prior to June 20, 1996 shall be allowed to combine their separate meter readings that were in place under the Optional Controlled Service Rider into one single meter reading for billing purposes.

C. SERVICE AT PRIMARY VOLTAGE:

- (1) Customers served at Primary Voltage may be billed under this Rate GS-Large, at the Company's sole and exclusive discretion, when a Customer requires Primary Service at a voltage less than the nearest available Primary Voltage, if the Company agrees to provide the Primary Voltage requested by the Customer.
- (2) Customers served at voltages greater than 1,000 volts under this Rate Schedule qualify for a voltage discount of \$1.23 per for all billing kW.

RATE SCHEDULES, RATE GS-LARGE (continued)

- D. **FLUCTUATING LOAD:** When Company installs local transformer capacity to supply a highly fluctuating load, a facility charge of 2.1% net per month of the cost of additional transformer capacity required by the highly fluctuating load shall be made.

RULES AND REGULATIONS:

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

RATE SCHEDULES

RATE GP GENERAL SERVICE – PRIMARY

AVAILABILITY:

Met-Ed & Penelec

Available to non-Residential Customers using electric power and/or lighting service through a single delivery location at 2,400 volts or higher. Choice of voltage shall be at the option of the Company. All substation and transformer equipment required for utilization of the delivery voltage shall be owned and maintained by the Customer. As described more fully in the next paragraph, this Rate Schedule shall be applicable to the owner of any Generating Facility whose Generating Facility is interconnected to the Company's electric system, if the Company believes, in its sole and exclusive discretion, that the provisions of this Rate Schedule are otherwise available to the Generating Facility.

The Company shall determine the applicability of this Rate Schedule to Generating Facility owners in its sole and exclusive discretion. If and when the Company determines that the owner of a Generating Facility interconnected to the Company's system has not previously entered into Tariff or other arrangements satisfactory to the Company allowing it to charge and receive payment of Delivery Service Charges, Default Service Charges and/or Net Station Power, as applicable, the Company will assign the Generating Facility to this Rate Schedule if the Company believes, the provisions of this Rate Schedule are otherwise available to the Generating Facility. For any hour in which the Company has determined the Generating Facility receives energy or capacity, as metered at or near such facility, the Generating Facility owner shall be responsible for paying to the Company all Delivery Service charges and/or Default Service Charges, applicable, based upon the metered energy and demand. In addition, the Generating Facility owner shall be responsible for paying to the Company all charges associated with Net Station Power for each applicable billing period based upon the default service rates specified in this Rate Schedule.

Minimum billing demand shall not be less than twenty-five (25) KW.

Penn Power

Available for primary light and power service. The billing load as hereinafter defined shall not be less than 25 kW. Service at alternating current, 60 hertz, three phase, at nominal primary voltages as available from suitable facilities of adequate capacity adjacent to the premises to be served, and as determined by the Company. The Customer shall have the responsibility for ownership, operation, and maintenance of all transforming, controlling, regulating, and protective equipment.

West Penn

Available for service at 15,000 volts or less for loads of 2,000 kilowatts or greater, supplied at a single point of delivery. Also available at 12,470 volts where Company elects, at its sole option, to supply service direct from an adjacent 138,000 volt transmission line by a single transformation. Service shall not be available for Standby or Maintenance Service such as that required for Alternative Generation Facilities. An Electric Service Agreement shall be executed.

RATE SCHEDULES, RATE GP (continued)

PSU

Available for service at 12,470 volts from Company substations.

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|-------------------------------------|----------|----------|------------|-----------|
| Distribution Charge | \$951.53 | \$996.52 | \$114.35 | \$983.20 |
| Per kW for all billed kW | \$2.98 | \$3.46 | \$4.34 | \$0.61 |
| Per kVAR of reactive billing demand | \$0.20 | \$0.19 | \$0.20 | \$0.18 |
| Transformer Charge | | | | \$1.19 |

| Rate District | PSU |
|--|----------|
| Customer Charge | \$793.00 |
| Demand Charge: First 10,000 kilovolt-amperes | \$2.52 |
| Demand Charge: Additional kilovolt-amperes | \$2.42 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

DETERMINATION OF BILLING DEMAND:

Met-Ed, Penelec, Penn Power, & West Penn

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greatest of: (i) For ME, PN and PP twenty-five (25) kW. For WP two thousand (2,000) kW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iv) contract demand, or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

RATE SCHEDULES, RATE GP (continued)

PSU

The Measured Demand for any month shall be the average of the weekly demands established during the calendar weeks ending within the billing month. The Weekly Demand shall be the maximum simultaneous fifteen-minute kilovolt-ampere demand but not less than 50 percent of the highest weekly demand of the month. The Billing Demand in the current month shall be the greatest of: (i) twenty-five (25) KW, (ii) the Measured Demand established in the month during On-peak hours, (iii) forty percent (40%) of the Measured Demand established in the month during off-peak hours, (iv) 18,000 kW, or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months.

Measured Demand shall be determined from the synchronous aggregation of the substation meters with adjustments made to eliminate double counting of peak load when load is moved among substations causing a peak.

REACTIVE BILLING DEMAND:

Reactive Billing Demand, measured in kVAr, shall be the integrated reactive demand occurring coincident with the Billing Demand.

Met-Ed, Penelec and West Penn

The Reactive kilovolt-ampere charge is applied to the Customer's reactive kilovolt-ampere capacity requirement in excess of 35% of the Customer's kilowatt capacity.

Met-Ed and Penelec

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

STATION POWER ENERGY NETTING:

Met-Ed and Penelec

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

RATE SCHEDULES, RATE GP (continued)

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Distribution Charge plus the demand charge at current rate levels times the Billing Demand, plus Distribution Charges plus any charges stated in or calculated by any applicable Rider.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

GENERAL PROVISIONS:

| General Provision Matrix | | | | |
|--------------------------|-------|-------|-------|---|
| | A (1) | A (2) | A (3) | B |
| Met-Ed | X | | | |
| Penelec | X | | | |
| Penn Power | | X | | |
| West Penn | | | X | X |
| PSU | | | | |

A. TERMS OF CONTRACT:

- (1) Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.
- (2) Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 day's notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one-year term, as specified above, will be placed on Rate Schedule GS.
- (3) The minimum term of the Electric Service Agreement required by Company under Rule 4 shall be five (5) years when construction is involved without construction cost advance paid by Customer. Otherwise, term shall be determined in accordance with Customer's kilowatt requirements as set forth in the following table.

| Customer's Requirements | Minimum Term of Agreement |
|-------------------------|---------------------------|
| 2,000 – 5,000 kilowatts | 2 years |
| 5,001 – 7,500 kilowatts | 3 years |
| Over – 7,500 kilowatts | 4 years |

RATE SCHEDULES, RATE GP (continued)

Agreements shall remain in force until a one-year written cancellation notice has been given and the initial term and Cancellation Notice Period have been expired, except:

- (a) When a Customer increases capacity beyond the capacity specified in the Agreement, a new Agreement based on the new conditions may be required by the Company, or
- (b) When a Customer decreases capacity after having satisfied the initial term of the Agreement and cancellation notice and no change is made by the Company in its service facilities, a new Agreement may be written for a term of one year less than those specified above.

B. TRANSFORMER CHARGE:

When Customer desires to take service under this Schedule at a voltage less than 15,000 volts, Company shall provide one transformation at charges set forth above based on the highest on-peak or off-peak demand for the month, but not less than any such demand previously established during the term of the Electric Service Agreement nor less than the capacity specified therein. This transformer charge does not apply for those connections supplied at 12,470 volts by a single transformation from an adjacent 138,000 volt line.

RULES AND REGULATIONS:

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

RATE SCHEDULES

RATE TP TRANSMISSION POWER

AVAILABILITY:

Met-Ed

This Rate Schedule is available to Non-Residential Customers using electric power and/or lighting service through a single delivery location and at a single delivery voltage at available nominal transmission voltages whose registered demand is equal to or greater than 5,000 kW in two (2) consecutive months. Choice of voltage shall be at the option of the Company. All substation, transformer, voltage regulating, and other equipment required for utilization of the delivery voltage shall be owned and maintained by the Customer. Existing Rate TP Customers at existing locations, irrespective of their current service voltage or substation ownership, may remain on Rate TP unless their load level does not meet the requirements of Rate TP. However, if the Customer's load level increases and requires the Company's substation or voltage level to change, the Company may require the Customer to provide their own substation and take service at a voltage level under which the Customer qualifies for service under this Rate Schedule. As described more fully in the next paragraph, this Rate Schedule shall be applicable to the owner of any Generating Facility whose Generating Facility is interconnected to the Company's electric system, if the Company believes, in its sole and exclusive discretion, that the provisions of this Rate Schedule are otherwise available to the Generating Facility.

The Company shall determine the applicability of this Rate Schedule to Generating Facility owners in its sole and exclusive discretion. If and when the Company determines that the owner of a Generating Facility interconnected to the Company's system has not previously entered into Tariff or other arrangements satisfactory to the Company allowing it to charge and receive payment of Delivery Service Charges, Default Service Charges and/or Net Station Power, as applicable, the Company will assign the Generating Facility to this Rate Schedule if the Company believes the provisions of this Rate Schedule are otherwise available to the Generating Facility. For any hour in which the Company has determined the Generating Rate Facility receives energy or capacity, as metered at or near such facility, the Generating Facility owner shall be responsible for paying to the Company all Delivery Service Charges and/or Default Service Charges, as applicable, based upon the metered energy and demand. In addition, the Generating Facility owner shall be responsible for paying to the Company all charges associated with Net Station Power for each applicable billing period based upon the Default Service rates specified in this Rate Schedule.

Minimum billing demand shall not be less than 5,000 KW.

RATE SCHEDULES, RATE TP (continued)

Penelec

This Rate Schedule is available to Non-Residential Customers using electric power and/or lighting service through a single delivery location and at a single delivery voltage of 23,000 volts or higher whose registered demand is equal to or greater than 3,000 kW in two (2) consecutive months. Choice of voltage shall be at the option of the Company. All substation, transformer, voltage regulating, and other equipment required for utilization of the delivery voltage shall be owned and maintained by the Customer. Existing Rate Schedule Customers at existing locations, irrespective of their current service voltage or substation ownership, may remain on this Rate Schedule unless their load level does not meet the requirements of this Rate Schedule. However, if the Customer's load level increases and requires the Company's substation or voltage level to change, the Company may require the Customer to provide their own substation and take service at a voltage level under which the Customer qualifies for service under this Rate Schedule. As described more fully in the next paragraph, this Rate Schedule shall be applicable to the owner of any Generating Facility whose Generating Facility is interconnected to the Company's electric system if the Company believes, in its sole and exclusive discretion, that the provisions of this Rate Schedule are otherwise available to the Generating Facility.

The Company shall determine the applicability of this Rate Schedule to Generating Facility owners in its sole and exclusive discretion. If and when the Company determines that the owner of a Generating Facility interconnected to the Company's system has not previously entered into Tariff or other arrangements satisfactory to the Company allowing it to charge and receive payment of Delivery Service Charges, Default Service Charges and/or Net Station Power, as applicable, the Company will assign the Generating Facility to this Rate Schedule if the Company believes the provisions of this Rate Schedule are otherwise available to the Generating Facility. For any hour in which the Company has determined the Generating Facility receives energy or capacity, as metered at or near such facility, the Generating Facility owner shall be responsible for paying to the Company all Delivery Service Charges and/or Default Service Charges, as applicable, based upon the metered energy and demand. In addition, the Generating Facility owner shall be responsible for paying to the Company all charges associated with Net Station Power for each applicable billing period based upon the Default Service rates specified in this Rate Schedule.

General Service purposes at Primary Voltages for loads in excess of 3,000 KW.

Minimum billing demand shall not be less than 3,000 KW.

Penn Power

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

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

RATE SCHEDULES, RATE TP (continued)

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

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

West Penn

Available for service at 25,000 volts or more for loads of 2,000 kilowatts or greater, supplied at a single point of delivery. Service shall not be available for Standby or Maintenance Service such as that required for Alternative Generation Facilities. An Electric Service Agreement shall be executed.

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|-------------------------------------|------------|------------|------------|-----------|
| Distribution Charge | \$5,290.68 | \$3,413.98 | \$324.29 | \$983.20 |
| Per kW for all billed kW | \$0.96 | \$1.86 | \$0.54 | \$0.61 |
| Per kVAr of reactive billing demand | | | \$0.20 | \$0.18 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

RATE SCHEDULES, RATE TP (continued)

DETERMINATION OF BILLING DEMAND:

Met-Ed & Penelec

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greater of: (i) 5,000 kW for Met-Ed or 3,000 kW for Penelec, (ii) the maximum measured demand established in the month during On-Peak Hours, adjusted for Power Factor as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, adjusted for Power Factor as stated herein, (iv) contract demand, (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

All measured demands shall be corrected to a Power Factor defined in Rule 7 by multiplying each measured demand by the ratio of the minimum Power Factor requirement set forth in Rule 7 to either the measured Power Factor for that demand or the average Power Factor for the month, whichever is lower, to the nearest 0.1%. No reduction in measured demands shall be made for Power Factor in excess of the stated Power Factors in Rule 7.

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

Penn Power

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

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

RATE SCHEDULES, RATE TP (continued)

West Penn

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over fifteen (15)-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greatest of: (i) two thousand (2000) kW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iv) contract demand, or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

REACTIVE BILLING DEMAND:

Penn Power

Reactive Billing Demand, measured in kVAr, shall be the integrated reactive demand occurring coincident with the Billing Demand.

West Penn

The kVAr charge is applied to the Customer's kVAr capacity requirement in excess of 35% of the Customer's kilowatt capacity. Reactive Billing Demand, measured in kVAr, shall be the integrated reactive demand occurring coincident with the Billing Demand.

STATION POWER ENERGY NETTING:

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

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Distribution Charge plus the demand charge at current rate levels times the Billing Demand, plus Distribution Charges plus any charges stated in or calculated by any applicable Rider.

RATE SCHEDULES, RATE TP (continued)

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

GENERAL PROVISIONS:

| General Provision Matrix | | | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|---|---|
| | A (1) | A (2) | A (3) | B (1) | B (2) | B (3) | B (4) | C | D |
| Met-Ed | X | | | X | | | | | |
| Penelec | X | | | | X | | | X | X |
| Penn Power | | X | | | | X | | | |
| West Penn | | | X | | | | X | | |

A. TERM OF CONTRACT:

- (1) Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.
- (2) Electric service hereunder will be furnished in accordance with a written contract which by its terms shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 days' notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period. When a contract is terminated in the manner provided herein, the service will be discontinued. Customers who elect not to contract for a minimum one (1) year term, as specified above, will be placed on Rate Schedule GS.
- (3) The minimum term of the Electric Service Agreement required by the Company under Rule 4 shall be five (5) years when construction is involved without construction cost advance paid by Customer. Otherwise, term shall be determined in accordance with Customer's kilowatt requirements as set forth in the following table.

| Customer's Requirements | Minimum Term of Agreement |
|-------------------------|---------------------------|
| 2,000 – 5,000 kilowatts | 2 years |
| 5,001 – 7,500 kilowatts | 3 years |
| Over – 7,500 kilowatts | 4 years |

Agreements shall remain in force until a one-year written cancellation notice has been given and the initial term and cancellation notice period have been expired, except:

- (a) When a Customer increases capacity beyond the capacity specified in the Agreement, a new Agreement based on the new conditions may be required by the Company, or
- (b) When a Customer decreases capacity after having satisfied the initial term of the Agreement and cancellation notice and no change is made by the Company in its service facilities, a new Agreement may be written for a term of one year less than those specified above.

RATE SCHEDULES, RATE TP (continued)

B. VOLTAGE DISCOUNT:

- (1) If the Company, in its sole discretion, elects to serve a Customer at 115 KV or greater, the demand charge shall be decreased as follows: Credit in the amount of \$0.75 Dollars/KW of Demand.
- (2) Upon request by the Customer, the Company shall furnish service at 115,000 volts or greater where available provided Customer furnishes all necessary transformer and terminal equipment. If service is supplied at 115,000 volts or greater, the kilowatt demand charge and energy charges per month shall be decreased as shown below per kW of billing demand and as shown below per kWh of total energy, respectively. In the case of an account with multi-point delivery, the credits shall be based on the contribution of the 115,000 volt or greater delivery point to the billing demand and total billed energy. Credit in the amount of \$1.49 Dollars/KW of Demand.
- (3) If the Company, in its sole discretion, elects to serve a Customer at 115 KV or greater, the demand charge shall be decreased as follows: Credit in the amount of \$0.18 Dollars/KW of Demand.
- (4) For loads of 10,000 kilowatts or greater, the Company will furnish service at voltages above 100,000 volts if such service is provided at a single delivery point from the Company's transmission system and in the sole judgment of the Company the necessary capacity is available. When such service is supplied and the Customer owns and maintains all required facilities, discounts will be allowed, but in no case will the amount of the minimum bill be hereby reduced. Credit in the amount of \$0.50 Dollars/KW of Demand.

C. LESS THAN 23,000 VOLT DELIVERY: Service will be rendered at less than 23,000 volts only at the sole and exclusive discretion of the Company and only when it can be provided economically through a single transformation from available transmission lines of 115,000 volts or above.

D. MULTI-POINT DELIVERY: THE AVAILABILITY OF THIS PROVISION TO CUSTOMERS HAS BEEN RESTRICTED SINCE JUNE 18, 1976. NEITHER DELIVERY SERVICE CUSTOMERS NOR NEW DELIVERY SERVICE CUSTOMERS SHALL BE PERMITTED TO TAKE SERVICE UNDER THIS PROVISION. ANY CUSTOMER PRESENTLY SERVED UNDER THIS PROVISION WHO BECOMES A DELIVERY SERVICE CUSTOMER AND LATER RETURNS AS A DEFAULT SERVICE CUSTOMER SHALL NOT BE PERMITTED TO TAKE SERVICE UNDER THIS PROVISION. If the load of an industrial Customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the Customer, additional delivery points may be established for such premises upon written request of the Customer, provided multi-point delivery is not disadvantageous to the Company. When such additional points of delivery are established, billing shall be based on the sum of the meter readings except that, at the written request of the Customer, billing demand shall be based on the sum of the simultaneous meter readings where the Customer employs load management techniques to reduce its contribution to the Company's system annual and monthly peaks. Customer's locations and loads billed under this provision may not continue to be so served if there is a substantial increase in load necessitating any increase in the capacity of the Company's facilities or in the capacity of the Customer's service entrance wiring. Multiple Customer-owned circuits from the same substation shall not be considered multi-point delivery.

RATE SCHEDULES, RATE TP (continued)

RULES AND REGULATIONS:

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

RATE SCHEDULES

**SCHEDULE 44
PRIMARY POWER SERVICE**

AVAILABILITY:

West Penn

Available only to locations now served hereunder and to locations for which definite rate commitments have been made as of December 31, 1998, under conditions stated below for interruptible power service at not less than 25,000 volts balanced three phase for loads of 5,000 kilovolt-amperes or greater to the extent that Company, in its sole judgment, determines that it has capacity for such service at the point of supply. Service shall not be available for Standby or Maintenance Service such as that required for Alternative Generation Facilities. An Electric Service Agreement shall be executed.

GENERAL MONTHLY CHARGES:

Distribution Charges

| | | |
|----------------------------|------------------------|-----------------------|
| Rate District | West Penn | |
| Customer Charge | \$4.08 | |
| Point of supply | At generating stations | At transmission lines |
| Per kVA for all billed kVA | \$0.11 | \$0.11 |
| Per kWh for all billed kWh | \$0.00029 | \$0.00029 |

PENALTY CHARGE:

In addition to the above demand and energy charges, a charge of \$7.00 per kVA will apply each time a Customer fails to interrupt when requested. The kVA subject to this charge shall be the maximum fifteen-minute kilovolt-ampere demand during each interruption period beginning with the second full fifteen-minute period after commencement of an interruption by the Company and continuing through the fifteen-minute period immediately preceding termination of that interruption period.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

RATE SCHEDULES, SCHEDULE 44 (continued)

COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:

For service between 15,000 and 100,000 volts, multiplying Customer's on peak metered energy by 1.05091 and off-peak metered energy by 1.04128 produces the generation energy that must be delivered to the West Penn Rate District. For service at other voltages, Customer should contact Company for loss factor.

DETERMINATION OF BILLING DEMAND:

Customer's Kilovolt-ampere Demand:

The Customer's kVA demand for any month shall be the on-peak demand plus 50% of the amount the off-peak demand exceeds 120% of the on-peak demand.

The on-peak demand shall be the maximum fifteen-minute kilovolt-ampere demand of the on-peak period plus 25% of the maximum instantaneous kilovolt-ampere operating peak in excess of 140% of the maximum on-peak fifteen-minute demand.

The off-peak demand shall be determined for the off-peak period in the same manner as the on-peak demand.

The on-peak period shall be from 7 a.m. until 10 p.m. Monday through Saturday, provided however, that the designated on-peak hours may be changed from time to time to conform to Company's system load upon 60 days written notice to Customers affected. The off-peak period shall include all other times not designated as on-peak.

Customer's Demand shall not be less than the highest of the following:

- (a) 5,000 kilovolt-amperes
- (b) 75% of the kilovolt-ampere capacity specified in the Electric Service Agreement
- (c) 75% of the highest Customer's Demand established during the most recent ten-year period or during the term of the Electric Service Agreement whichever is the lesser time.

RATE SCHEDULES, SCHEDULE 44 (continued)

CONDITIONS:

Company reserves the right to interrupt or curtail service without notice. Company intends to use every reasonable effort to make, and expects to be able to make, the capacity specified in the Electric Service Agreement available for at least 80% of the hours in any calendar month and 90% of the hours in any calendar year; provided, however, that Company shall not be liable for any loss, cost, damage, or expense to Customer caused by a failure, from any cause whatsoever, to supply service whether within or beyond the limits of capacity availability specified above. In the case of interruption or curtailment of the load, the outage time used when measuring capacity availability will be the load reduction period times the ratio, not to exceed one, of the load reduction to the Agreement Capacity. Outage time resulting from acts of God, public enemies, strikes, riots, wars, orders of Court or other Governmental authority, or any other acts or conditions reasonably beyond the control of Company shall not be included when measuring capacity availability.

Customer shall provide line facilities required to deliver power from the supply point to his plant and control equipment required at Customer's plant. Line and control facilities shall be subject to approval by Company.

Should Company be ordered by Governmental authority during a national emergency to supply firm instead of interruptible service, billing shall be on an applicable firm power schedule.

Customer's power factor correction equipment shall not be operated in a manner creating a condition which prevents Company from supplying satisfactory service to him or to other Customers.

TERM:

The minimum term of the initial Electric Service Agreement shall be five years and one-year written cancellation notice shall be required.

RULES AND REGULATIONS:

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

RATE SCHEDULES

**SCHEDULE 46
PRIMARY POWER SERVICE**

AVAILABILITY:

West Penn

Available only to locations now served hereunder and to locations for which definite rate commitments have been made as of December 31, 1998 for service at 25,000 volts or higher for loads of 30,000 kilovolt-amperes or greater, supplied at not more than five plant locations within a distance of eight miles. Service shall not be available for Standby or Maintenance Service such as that required for Alternative Generation Facilities. An Electric Service Agreement shall be executed.

GENERAL MONTHLY CHARGES:

Distribution Charges

| Rate District | West Penn |
|--|-----------|
| Customer Charge | \$5.45 |
| Per kVA for all billed kVA | \$0.52 |
| Voltage Discount: per kVA for all billed kVA | \$0.14 |
| Energy Charges: per kWh for all billed kWh | \$0.00104 |

VOLTAGE DISCOUNT (kVA):

If requested, the Company will furnish service at voltages above 100,000 volts at each plant location if such service at that location is over 10,000 kilovolt-amperes, is provided at a single delivery point from the Company's transmission system, is the only service on that account, and if in the sole judgment of the Company, the necessary capacity is available. When such service is supplied and the Customer owns and maintains all required facilities, the above discounts will be allowed but in no case will the amount of the minimum bill be hereby reduced.

To qualify for this transmission voltage service, the Customer must be billed for at least 10,000 kilovolt-amperes at least once in every 12-month period at each metering point.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

RATE SCHEDULES, SCHEDULE 46 (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider rates apply.

COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:

For service between 15,000 and 100,000 volts, multiplying Customers' on-peak metered energy by 1.05091 and off-peak metered energy by 1.04128 produces the generation energy that must be delivered to the West Penn Rate District. For service at other voltages, Customer should contact Company for loss factor.

DETERMINATION OF BILLING DEMAND:

The Customer's Demand for any month shall be the average of the Weekly Demands established during the weeks ending within the billing month. No Weekly Demand shall be taken at less than 50% of the highest Weekly Demand of the month. The Customer's Demand shall not be less than the highest of the following provisions:

- (a) 30,000 kilovolt-amperes
- (b) 50% of the highest Customer's Demand established during the most recent ten-year period of the Electric Service Agreement.
- (c) The average of Customer's Monthly Demands for the 12 months ending with the current month, each modified according to provisions (a) and (b).

Customer may, by giving Company reasonable notice in writing, select one month of the first year of the Electric Service Agreement, any two months of the second year and any three months of the third or succeeding years during which provision (c) shall be waived.

Weekly Demand

The weekly demand shall be the on-peak demand plus 50% of the amount the off-peak demand for the same week exceeds 120% of the on-peak demand to the extent that such off-peak demand can be supplied from facilities normally installed for the on-peak demand level. The off-peak capacity available at any location will be determined by the Company, in its sole judgment, but in no case will exceed 25,000 kVA.

The on-peak demand for a week shall be the maximum fifteen-minute kilovolt-ampere demand of the on-peak period plus 25% of the excess of the maximum instantaneous kilovolt-ampere operating peak of the on-peak period for the same week over 160% of the maximum fifteen-minute demand.

RATE SCHEDULES, SCHEDULE 46 (continued)

The off-peak demand of a week shall be determined for the off-peak period in the same manner as the on-peak demand.

The on-peak period shall be from 7 a.m. until 10 p.m. Monday through Saturday, provided, however that the designated on-peak hours may be changed from time to time to conform to Company's system load upon 60 days written notice to Customers affected. The off-peak period shall include all other times not designated as on-peak.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM:

The minimum term of the initial Electric Service Agreement shall be ten years and a two-year written cancellation notice shall be required. Agreement shall remain in force until the required notice has been given and the initial Term and Cancellation Notice Period have expired.

When Customer's requirements are increased, a new agreement, based on the new conditions, may be required.

RULES AND REGULATIONS:

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

RATE SCHEDULES

RATE H
ALL ELECTRIC SCHOOL, CHURCH AND HOSPITAL RATE

AVAILABILITY:

Penelec

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE MARCH 29, 1971.

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| | |
|---------------------------|---------|
| Rate District | Penelec |
| Customer Charge | \$35.13 |
| Cents per kWh for all kWh | 3.312 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Customer Charge listed in the General Monthly Charges section of this rate schedule plus distribution energy charges and charges related to applicable riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

RATE SCHEDULES, RATE H (continued)

TERM OF CONTRACT:

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

UNTRANSFORMED SERVICE:

At the Customer's option, service shall be supplied by the Company at primary voltage at the above stated rate.

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE MS
MUNICIPAL SERVICE RATE**

AVAILABILITY:

Met-Ed

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE OCTOBER 19, 1983.

Municipal lighting, and/or power and/or heating service used by counties, cities, boroughs, townships and public school districts for public purposes only and not applicable to service where counties, cities, boroughs, townships or public school districts are compensated in any form (other than admissions collected by such bodies) for the use of any of the facilities for which service is supplied.

Secondary Voltage: Secondary voltage will be supplied by the Company to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA.

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

GENERAL MONTHLY CHARGES:

The Distribution Charges are applicable to Delivery Service Customers:

| | |
|---------------------------|---------|
| Rate District | Met-Ed |
| Customer Charge | \$32.23 |
| Cents per kWh for all kWh | 3.159 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

RATE SCHEDULES, RATE MS (continued)

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Customer Charge listed in the General Monthly Charges section of this rate schedule plus distribution energy charges and charges related to applicable riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

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

RULES AND REGULATIONS:

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

RATE SCHEDULES

**RATE PNP
PUBLIC OR NON-PROFIT ORGANIZATION RATE**

AVAILABILITY:

Penn Power

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

Service at alternating current, 60 hertz, standard single phase or three phase three-wire or four-wire secondary service, as available. Single and three phase service will be metered and billed separately or, when feasible, single and three phase service will be furnished through a single meter installation and billed as one account provided the customer arranges his wiring to facilitate the installation of a single meter. Where service is furnished at three-phase, the customer shall provide and maintain all equipment required for lighting service.

DEFINITION:

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

GENERAL MONTHLY CHARGES:

The net monthly charge per customer shall be:

| | |
|---------------------------|------------|
| Rate District | Penn Power |
| Customer Charge | \$15.56 |
| Cents per kWh for all kWh | 3.440 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

RATE SCHEDULES, RATE PNP (continued)

DEFAULT SERVICE CHARGES:

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

DETERMINATION OF BILLING DEMAND:

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

MINIMUM CHARGE:

The monthly Minimum Charge shall be the applicable Rate District Customer Charge plus distribution energy charges and any related to applicable riders.

PAYMENT TERMS:

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

RULES AND REGULATIONS:

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

SERVICES

BORDERLINE SERVICE

AVAILABILITY:

Met-Ed and Penelec

Borderline Service is available to public utility companies for resale in adjacent service territory to the Company under reciprocal agreements between the Company and other public utility companies, subject to the following conditions:

- A. A request shall be made in writing for each point of supply where service is desired.
- B. Borderline service may be supplied in the Company's sole and exclusive discretion when it has available adequate capacity to serve the requested location(s).
- C. When such service is supplied, energy shall be supplied at sixty (60) cycle alternating current, at such potential and of such phase as may be mutually agreed upon.

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

GENERAL MONTHLY CHARGES:

| Rate District | Met-Ed | Penelec |
|---------------------------|--------|---------|
| Cents per kWh for all kWh | 4.133 | 5.038 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

INVESTMENT CHARGE:

One percent (1%) on the Company's investment in facilities necessary to deliver and meter the service.

The energy may be metered at the point of supply or at the nearest suitable point, or the energy may be estimated from the sum of the meter readings of purchaser's customers, plus an agreed upon correction to cover transformation and the line losses from the point of supply.

SERVICES, BORDERLINE SERVICE (continued)

TERM OF CONTRACT:

A contract shall be written for a period of not less than five (5) years.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

RULES AND REGULATIONS:

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

SERVICES

LED STREET LIGHTING SERVICE

AVAILABILITY:

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

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

GENERAL MONTHLY CHARGES:

Demand and Energy Charges for common lamp sizes:

Charges Per Month Per Light:

Cobra Head

| Nominal Watts | Monthly kWh | ME Distribution | PN Distribution | PP Distribution | WP Distribution |
|---------------|-------------|-----------------|-----------------|-----------------|-----------------|
| 50 | 18 | \$9.80 | \$8.29 | \$7.32 | \$6.94 |
| 90 | 32 | \$12.11 | \$9.88 | \$8.78 | \$8.73 |
| 130 | 46 | \$12.87 | \$11.14 | \$9.78 | \$9.28 |
| 260 | 91 | \$19.89 | \$17.30 | \$15.12 | \$14.38 |

Colonial

| Nominal Watts | Monthly kWh | ME Distribution | PN Distribution | PP Distribution | WP Distribution |
|---------------|-------------|-----------------|-----------------|-----------------|-----------------|
| 50 | 18 | \$15.42 | \$13.37 | \$11.72 | \$11.12 |
| 90 | 32 | \$16.95 | \$14.71 | \$12.87 | \$12.24 |

Acorn

| Nominal Watts | Monthly kWh | ME Distribution | PN Distribution | PP Distribution | WP Distribution |
|---------------|-------------|-----------------|-----------------|-----------------|-----------------|
| 50 | 18 | \$25.59 | \$22.30 | \$19.46 | \$18.51 |
| 90 | 32 | \$27.04 | \$23.58 | \$20.57 | \$19.57 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

SERVICES, LED Street Lighting (continued)

DEFAULT SERVICE CHARGES:

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

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

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

GENERAL PROVISIONS:

- A. The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of but not limited to lamps, luminaires, brackets, and other supporting materials.
- B. The Company will install lighting fixtures on an approved existing pole. All additional and new lighting equipment, consisting of but not limited to poles, brackets, wiring, transformation, etc., not provided for herein and installed by the Company at the request of the customer shall be the property of the Company and be paid for by the customer prior to the customer taking service.
- C. Costs associated with activities related to the replacement, relocation, alteration, repair, or removal of existing street lighting equipment are not included as part of normal maintenance will be the responsibility of the customer. Examples of such activities include, but are not limited to, the replacement of an existing fixture, removal or relocation of a lamp, luminaire, bracket, pole, or installation of a luminaire shield.
- D. All lamps shall be unmetered and will operate from dusk to dawn each and every night, or for approximately 4,200 hours per year.
- E. If a Customer requests an underground system, it will be installed where service is supplied from an existing underground distribution system. Additional cost shall be borne by the Customer.
- F. All service and necessary maintenance will be performed only during regular working hours of the Company.

SERVICES

ORNAMENTAL STREET LIGHTING SERVICE (SLS-O)

AVAILABILITY (RESTRICTED):

Met-Ed

AVAILABLE ONLY AS A FULL SERVICE OPTION.

THIS SERVICE IS RESTRICTED TO EXISTING CUSTOMERS AND NO ADDITIONAL LIGHTS WILL BE INSTALLED HEREUNDER, OR INCREASED IN SIZE, EFFECTIVE OCTOBER 19, 1983. ANY CUSTOMER PRESENTLY SERVED UNDER THIS ORNAMENTAL STREET LIGHTING SERVICE AND ELECTS TO TERMINATE THIS SERVICE, SHALL NOT BE PERMITTED TO RETURN AS AN ORNAMENTAL STREET LIGHTING SERVICE CUSTOMER.

Available for ornamental street lighting service and street lighting service for underpasses and bridges. Applicable only to municipal or other governmental bodies. Incandescent street lights may be relocated provided Customer pays Company the cost of such relocation, except that such lights will be installed only in areas already lighted predominantly by incandescent lights.

TYPE OF SERVICE: The following conditions are applicable to all lights served and to all equipment supplied under this Service:

1. Lamps will be lighted from dusk to dawn, which is approximately 4,200 hours per year.
2. The lumen rating, where stated, is the manufacturers' stated nominal rating of lamps.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

SERVICES, SLS-O (continued)

TERM OF CONTRACT:

Service supplied under this classification shall be for a period of not less than one (1) year.

GENERAL PROVISION:

POST TOP SERIES INCANDESCENT STREET LIGHTING (RESTRICTED): Where the Customer elects to take street lighting service from series incandescent street lighting facilities and the Company furnishes and maintains the entire street lighting systems, the monthly charge shall be as specified below:

Nominal Initial Rate

| | |
|------------------------|---------|
| Lamp Lumens: | 2,500 |
| Lamp Charge Per Month: | \$56.47 |

SERVICES

OUTDOOR AREA LIGHTING SERVICE

AVAILABILITY:

Met-Ed and Penelec

Available for lighting of outdoor areas and roadways from dusk to dawn, served from Company's existing overhead wood pole distribution system where 120-volt service is available and where the Company's sole determination that street lighting service is not appropriate.

THIS SERVICE SHALL BE FURTHER RESTRICTED TO EXISTING CUSTOMERS AT EXISTING LOCATIONS AS OF AUGUST 1, 2012.

Met-Ed

INSTALLATION OF MERCURY VAPOR LIGHTS UNDER THIS SERVICE IS RESTRICTED TO EXISTING LIGHTS AT PRESENT LOCATIONS AS OF OCTOBER 19, 1983.

RATE PER MONTH:

Mercury Vapor

| Nominal Lamp Watt | Monthly kWh | ME Distribution | PN Distribution |
|---------------------|-------------|-----------------|-----------------|
| 100 | 42 | | \$8.28 |
| 175 | 70 | \$8.31 | |
| 175 | 74 | | \$8.79 |
| 250 | 107 | | \$12.48 |
| 400 | 174 | | \$14.28 |
| 400 Flood Lighting | 174 | | \$16.17 |
| 700 | 294 | | \$20.00 |
| 1000 | 420 | | \$20.62 |
| 1000 Flood Lighting | 420 | | \$26.62 |

Sodium Vapor

| Nominal Lamp Watt | Monthly kWh | ME Distribution | PN Distribution |
|--------------------|-------------|-----------------|-----------------|
| 70 | 29 | | \$19.38 |
| 100- Area Lighting | 46 | \$24.32 | |
| 100 | 50 | | \$19.46 |
| 150 | 65 | | \$23.96 |
| 200 | 80 | | \$28.45 |
| 200 Flood Lighting | 80 | | \$34.56 |
| 250 | 110 | | \$29.67 |
| 250 Flood Lighting | 98 | \$13.17 | |
| 400 | 169 | | \$28.75 |
| 400 Flood Lighting | 169 | | \$33.98 |
| 400-Flood Lighting | 156 | \$8.48 | |

SERVICES, Outdoor Area Lighting (continued)

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

For Customers receiving default service, the Price to Compare Default Service Charge shall be determined using the applicable monthly kWh usage multiplied by the Price to Compare Default Service Rate Rider, Commercial Customer Class rate.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

GENERAL PROVISIONS:

| | A (1) | A (2) | B (1) | C (1) | C (2) | D (1) | D (2) |
|---------|-------|-------|-------|-------|-------|-------|-------|
| Met-Ed | X | | X | X | | X | |
| Penelec | | X | | | X | | X |

A. TERM OF CONTRACT:

- (1) The initial term of contract shall be not less than three (3) years when installed on existing poles or not less than five (5) years when either a pole is installed for supporting the light or secondary facilities are installed to serve the light.
- (2) Term of contract shall be two (2) years for standard installations and five (5) years where additional facilities are required.

B. FACILITIES

- (1) All facilities necessary for service under this schedule shall be owned and maintained by the Company, except that at its option the Company may install the light on a pole owned by another utility company or on a farm center pole owned or used by the Customer. If a light is installed on a farm center pole, the Company may require a satisfactory written agreement releasing the Company of damage claims and to indemnify the Company against claims by others.

SERVICES, Outdoor Area Lighting (continued)

C. ADDITIONAL FACILITIES

- (1) No change in height of existing poles in primary distribution lines shall be made, nor shall additional poles be installed in such lines, for the purpose of installing a light unless Customer elects to pay the Company the cost of such change. If requested by a Customer, Company may, at its option, install a pole for supporting a light, and external secondary facilities to such pole, and in such cases there shall be a charge of Nine Dollars and Nineteen Cents (\$9.19) per pole and secondary facilities per month. Not more than two (2) one-pole extensions, or one (1) two-pole extension, may be made per Customer at any single premises. In either case, the extensions may be made only if a light is installed on each pole installed. If requested by a Customer, the Company may, at its option, install secondary facilities to serve a light, and in such cases, there shall be a charge issued to the Customer by the Company of Nine Dollars and Nineteen Cents (\$9.19) per light per month. As an alternative to the charges stated herein, the Customers may pay to the Company the cost of furnishing and installing the required facilities. For facilities to be installed hereunder, the Customer shall grant such right-of-way as is required, in accordance with the provisions of this Tariff. The Customer shall obtain satisfactory written approval from the appropriate public authorities for lights to be located on public thoroughfares.
- (2) PROVISION FOR ADDITIONAL FACILITIES INSTALLED AT COMPANY EXPENSE IS RESTRICTED TO FACILITIES INSTALLED PRIOR TO JANUARY 27, 1979. If the Company installs additional poles, there shall be an additional monthly charge as follows: For wood poles, One Dollar and Sixty-One Cents (\$1.61) per pole per lamp and Three Dollars and Ninety-Four Cents (\$3.94) for each pole in excess of one (1) per lamp; for fabricated poles, Eight Dollars and Six Cents (\$8.06) per pole per lamp and Ten Dollars and Sixty-Two Cents (\$10.62) for each in excess of one (1) per lamp. After January 27, 1979, where additional facilities are required, lamps shall be installed only on facilities provided or paid for by the Customer. All facilities shall be owned and maintained by the Company.

RESTRICTED TO FACILITIES INSTALLED PRIOR TO APRIL 9, 1981. Special equipment and/or underground service may be furnished at the Company's option upon the Customer's written request, subject to an additional charge to cover the cost of furnishing such special equipment and/or underground service. Supports of other than standard length or underground service shall be provided at the Company's option, subject to an advance payment by the Customer to the Company of the additional costs.

The Customer shall obtain all necessary approvals required for lights to be located on public thoroughfares.

SERVICES, Outdoor Area Lighting (continued)

D. RESTRICTED LAMPS

- (1) The lamp, luminaire with open refractor, and bracket not over four (4) feet in length adopted by the Company as standard for this type of service shall be used. Lamps shall be lighted from dusk to dawn by automatic control furnished by Company and burning hours of the light shall be approximately 4,200 hours per year.

Lights and poles shall be placed only at locations accessible for installation and maintenance by Company's mechanized equipment. A mercury vapor light fixture that becomes inoperable will be replaced with an equivalent lumen output sodium vapor light fixture to comply with the Federal Energy Policy Act of 2005 that prohibits the import or manufacture of mercury vapor ballasts. When such replacement occurs, sodium vapor rates will apply based on the Rate District's current electric service Tariff.

Lamp renewals shall be made during normal weekday working hours, ordinarily within forty-eight (48) hours of notification by the Customer, such renewals not to be made on Saturdays, Sundays or holidays.

- (2) Restricted Lamps: NO NEW OR ADDITIONAL LAMPS AS TABULATED BELOW WILL BE INSTALLED BY THE COMPANY AFTER APRIL 9, 1981. 400, 700 and 1,000 watt mercury vapor lamps may be replaced by the Company with equivalent high pressure sodium vapor lamps when required or deemed necessary by the Company.

A mercury vapor light fixture that becomes inoperable will be replaced with an equivalent lumen output sodium vapor light fixture to comply with the Federal Energy Policy Act of 2005 that prohibits the import or manufacture of mercury vapor ballasts. When such replacement occurs, sodium vapor rates will apply based on the Rate District's current electric service Tariff.

The Company shall replace burned-out lamps during regular daytime working hours as soon as practicable following notification by the Customer.

SERVICES

HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE - PN

AVAILABILITY:

Penelec

Available only to present Customers for installations now being served prior to December 31, 2023. Lighting service on public streets, highways, bridges, parks and similar public places for municipalities and other governmental agencies.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

Wood Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 5,800 | 70 | 29 | \$10.48 |
| 9,500 | 100 | 50 | \$9.28 |
| 16,000 | 150 | 71 | \$8.82 |
| 22,000 | 200 | 80 | \$13.47 |
| 27,500 | 250 | 110 | \$14.15 |
| 50,000 | 400 | 169 | \$9.26 |

Fiberglass Pole Not Over 16 Feet

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 5,800 | 70 | 29 | \$16.75 |
| 9,500 | 100 | 50 | \$15.56 |
| 16,000 | 150 | 71 | \$15.10 |
| 22,000 | 200 | 80 | \$19.71 |
| 27,500 | 250 | 110 | \$20.36 |
| 50,000 | 400 | 169 | \$15.52 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

SERVICES, HPS VAPOR STREET LIGHTING SERVICE – PN (continued)

TERM OF CONTRACT:

Not less than five (5) years.

GENERAL PROVISIONS:

- (A) The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of lamps, luminaries, controls, brackets, and ballasts, utilizing the Company's general overhead or underground distribution system.
- (B) Bills for service supplied under this Rate shall be rendered by the Company monthly.
- (C) Lamps shall be lighted from dusk to dawn each and every night, or for approximately 4,200 hours per year.
- (D) Additional high pressure sodium vapor street lighting fixtures of the type currently used by the Company shall be installed by the Company on existing circuits at the Customer's request at any time except during the last three (3) months of any contract term. Additional high pressure sodium vapor street lighting fixtures of the type currently used by the Company involving the construction by the Company of additional circuits and/or pole line shall be installed by the Company at the Customer's request at any time except during the last twelve (12) months of any contract term.
- (E) If additional street lighting facilities are installed at the Customer's request, they shall be considered as an addition to the contract and subject to all the provisions thereof.
- (F) If a sodium vapor unit replaces an existing mercury vapor unit that has been installed for less than ten (10) years, the Customer shall pay for the cost of removal of the mercury vapor unit in addition to the depreciable life of the fixture for the remainder of the contract term as determined by the Company.
- (G) If the Customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the Customer shall pay the removal cost plus the remaining value of the system.
- (H) If a Customer requests an underground system, the additional cost shall be borne by the Customer, or may be included in the contract at the following additional charges:
 - Underground (1): Earth construction at 4.00¢ per foot.
 - Underground (2): Requiring removal and replacement of paving or sidewalks at 40.00¢ per foot.
 - Underground (3): If a Customer furnishes and installs foundation bases for fabricated poles and the conductor raceways in accordance with Company specifications, the charges in items (1) and (2) shall not apply.
 - Underground (4): Stone construction - additional costs shall be borne by the Customer.

SERVICES, HPS VAPOR STREET LIGHTING SERVICE – PN (continued)

- (I) Underpass Lighting: High pressure sodium vapor lamps for 24-hour service shall be supplied by the Company, as follows:

| Watts | kWh per Month | Distribution |
|-------|---------------|--------------|
| 70 | 60 | \$9.95 |
| 100 | 104 | \$6.98 |
| 150 | 148 | \$6.42 |
| 200 | 167 | \$9.99 |
| 400 | 352 | \$5.13 |

- (J) Special equipment, including steel, aluminum or concrete poles or fiberglass poles in excess of sixteen (16) feet in length may be furnished at the Company's option, upon written request, and the additional cost there of shall be borne by the Customer.

SERVICES

MUNICIPAL STREET LIGHTING SERVICE (SLS-MUND)

AVAILABILITY:

Penelec

Lighting service on public streets, highways, bridges, parks and similar public places for municipalities and other governmental agencies.

THIS RATE IS RESTRICTED SOLELY TO EXISTING LAMP LOCATIONS OF CUSTOMERS WHO WERE RECEIVING SERVICE HEREUNDER ON APRIL 9, 1981. ANY CUSTOMER PRESENTLY SERVED UNDER THIS MUNICIPAL STREET LIGHTING SERVICE AND ELECTS TO TERMINATE THIS SERVICE, SHALL NOT BE PERMITTED TO RETURN AS A MUNICIPAL STREET LIGHTING SERVICE CUSTOMER.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:
Standard Mercury Vapor Units:

Wood Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 4,000 | 100 | 42 | \$7.94 |
| 8,150 | 175 | 74 | \$7.93 |
| 11,500 | 250 | 107 | \$11.09 |

Fabricated Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 11,500 | 250 | 107 | \$17.30 |

High Pressure Sodium Vapor lamps installed after April 9, 1981 will be served under the provision of High Pressure Sodium Vapor Street Lighting Service.

Standard High Pressure Sodium Vapor Units:

Wood Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 27,500 | 250 | 110 | \$14.60 |

Fabricated Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 27,500 | 250 | 110 | \$20.98 |

SERVICES, SLS-MUNI (continued)

Mercury Vapor Floodlight Units:

Wood Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 21,500 | 400 | 174 | \$13.28 |
| 60,000 | 1,000 | 420 | \$15.95 |

Fabricated Pole

| Rate District | Penelec | | |
|----------------|---------|---------------|--------------|
| Initial Lumens | Watts | kWh per Month | Distribution |
| 21,500 | 400 | 174 | \$33.07 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Not less than five (5) years.

GENERAL PROVISIONS:

- (A) The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of lamps, luminaries, controls, brackets, and ballasts, utilizing the Company's general overhead or underground distribution system.

SERVICES, SLS-MUNI (continued)

- (B) If a Customer requests an underground system, the additional cost shall be borne by the Customer, or may be included in the contract at the following additional charges:
 Underground (1): Earth construction at 4.00¢ per foot.
 Underground (2): Requiring removal and replacement of paving or sidewalks at 40.00¢ per foot.
 Underground (3): If a Customer furnishes and installs foundation bases for fabricated poles and the conductor raceways in accordance with Company specifications, the charges in items (1) and (2) shall not apply.
 Underground (4): Stone construction - additional costs shall be borne by the Customer.
- (C) The Company may, at its option, furnish special equipment to a Customer who requests it at such increased rates per lamp as may be determined by the Company.
- (D) Limited Access Highway Lighting: If a Customer owns the entire street lighting installation, the Company shall supply energy, furnish and install replacement lamps and photoelectric controls, and clean the fixtures when and if necessary. Replacement of, or repairs to, Customer-owned facilities other than lamps and photoelectric controls shall be made at the Customer's expense. The Rate, per lamp per month, is as follows:

| | kWh per Month | Rate |
|-----------------------------|---------------|--------|
| 250 watt mercury vapor lamp | 107 | \$6.91 |
| 400 watt mercury vapor lamp | 174 | \$5.91 |

For conservation purposes, a Customer may replace existing mercury vapor lamps with high pressure sodium vapor lamps at the following prices:

| Watts | kWh per Month | Rate |
|-----------|---------------|--------|
| 200 watts | 80 | \$9.07 |
| 400 watts | 169 | \$4.43 |

For mounting heights over thirty-five (35) feet, the above rates shall be increased by Three Dollars and Sixty-Four Cents (\$3.64).

SERVICES, SLS-MUNI (continued)

(E) This Special Provision E. is restricted solely to Overhead or Boulevard Street Lighting in the City of Altoona where the Company furnishes overhead circuits consisting of cable and wire from Customer-owned series street lighting transformers to pole locations. In addition to the transformers and all auxiliary equipment, consisting of lightning arresters, oil switches, relays, supporting structures and wiring, the Customer supplies and maintains all fixtures, lighting units, supports, standards, etc. Such service shall be supplied and metered by the Company at primary voltage except at the Customer's option, a portion may be supplied at secondary voltage for the operation of control equipment and for supply to self-controlled lamps connected to the Company's secondary lines. The charges for this service include the following:

- (1) For each overhead self-controlled unit, served from the general overhead distribution system, a charge of One Dollar and Eighty-Six Cents (\$1.86).
- (2) No charge for the boulevard units.
- (3) For the kilowatt-hours consumed as indicated by the summation of the monthly meter readings:

| | |
|-------------------|------------|
| First 100,000 kWh | 0.726¢ kWh |
| Excess kWh | 0.191¢ kWh |
- (4) **ALTERNATIVE TECHNOLOGY LIGHTING:** The Alternative Technology Lighting charges shall apply to lighting facilities owned and maintained by the Customer which utilize Induction, Solid State, or Plasma Lighting technologies, or such additional alternative technology as may be specified by the Company. The Alternative Technology Lighting must be certified by an Edison Testing Laboratories "ETL" (or equivalent) to verify the actual consumption of the fixture. In addition, and in order to certify the safe operation, the fixture must be Underwriters Laboratories "UL" (or equivalent) listed.

For purposes of the Provision E, the following definitions shall apply:

Induction Lighting – Discharge lamps, where mercury or other atoms are energized to elevate their energy level, then discharge a photon as they fall back to their normal state.

Solid State Lighting – Technology using semi-conducting materials to convert electricity into light. Solid State Lighting is an umbrella term encompassing both light-emitting diodes (LEDs) and organic light-emitting diodes (OLEDs).

Plasma Lighting – Plasma lamps are a family of light sources that generate light by exciting a plasma inside a closed transparent burner or bulb using a radio frequency (RF) power. Typically, such lamps use a noble gas or a mixture of these gases and additional materials such as metal halides, sodium, mercury, or sulfur. A waveguide is used to constrain and focus the electrical field into the plasma. In operation the gas is ionized and free electrons, accelerated by the electrical field collide with gas and metal atoms. Some electrons circling around the gas and metal atoms are excited by these collisions, bringing them to a higher energy state. When the electron falls back to its original state, it emits a photon, resulting in visible light or ultraviolet radiation depending on the fill materials.

SERVICES, SLS-MUNI (continued)

Alternative Technology Lighting shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under this specific provision, determined to the nearest one-hundredth of a cent per kilo-watt hour. In addition, the wattage of the Alternative Technology Lighting shall be rounded to the nearest 25 Watt. The Alternative Technology Lighting wattage will then be converted into kWh in accordance with the formula set forth below:

$$\text{kWh} = (\text{System Watt} \times 350) / 1,000$$

Where:

System Watt = Total Watts used (drawn) by the entire luminaire fixture.

- (F) Bills for service supplied under this Rate shall be rendered by the Company monthly.
- (G) Lamps shall be lighted from dusk to dawn nightly, or for approximately 4,200 hours per year.
- (H) Additional street lighting fixtures of the type currently used by the Company shall be installed by the Company on existing circuits at the Customer's request at any time except during the last three (3) months of any contract term. Additional street lighting fixtures of the type currently used by the Company involving the construction by the Company of additional circuits and/or pole line shall be installed by the Company at the Customer's request at any time except during the last twelve (12) months of any contract term.
- (I) Any additional street lighting facilities installed at the Customer's request shall be considered as an addition to the contract and subject to all the provisions thereof. If a sodium vapor unit replaces an existing mercury vapor unit that has been installed for less than ten (10) years, the Customer shall pay the Company for the cost of removal of the mercury vapor unit.
- (J) If the Customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the Customer shall pay the removal cost plus the remaining value of the system.

SERVICES

PRIVATE OUTDOOR LIGHTING SERVICE – (PLS)

AVAILABILITY:

Penn Power

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

GENERAL MONTHLY CHARGES:

Overhead and Post-Top (PT) Lighting Service:

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

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

Distribution Charge

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

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

| | |
|-------------------------------------|---------|
| For each 30' or 35' pole, per month | \$11.07 |
| For each 40' pole, per month | \$12.88 |

SERVICES, PLS (continued)

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

TERMS OF PAYMENT:

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

CONTRACT:

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

SERVICES, PLS (continued)

TERMS AND CONDITIONS:

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

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

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

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

No reduction in bill shall be allowed for lamp outages.

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

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

RULES AND REGULATIONS:

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

SERVICES

HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE – (SLS-SV)

AVAILABILITY:

Penn Power

Available only to present Customers for installations now being served prior to December 31, 2023. Available to municipalities and other governmental agencies for lighting public streets, highways, bridges, parking lots, parks, and similar public places. Company will furnish, install, operate, and maintain its standard HPS street light units consisting of lamps, luminaires, controls, brackets, and ballasts utilizing the Company's wood, metal or steel poles and overhead and underground distribution facilities that exist along public thoroughfares. Exceptions are as noted under Special Terms and Conditions. Lighting units will operate from sunset until sunrise, each night of the year, approximately 4,070 hours of annual operation.

GENERAL MONTHLY CHARGES:

Distribution Charge

| Rating in Watts | Nominal Lumens | Average Monthly kWh | Distribution |
|-----------------|----------------|---------------------|--------------|
| 70 | 5,800 | 32 | \$9.87 |
| 100 | 9,500 | 46 | \$8.59 |
| 150 | 16,000 | 66 | \$8.72 |
| 250 | 27,500 | 98 | \$10.19 |
| 400 | 50,000 | 156 | \$10.49 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

ADDITIONAL FACILITIES:

When the customer requests service that requires additional facilities, such as wood, metal or ornamental poles not presently considered a part of the Company's existing overhead or underground distribution system, the customer shall bear these additional costs. The customer shall also bear the cost of rearranging or extending the existing facilities necessary to serve additional lights or to obtain the required mounting height. All necessary street lighting facilities are supplied, installed, owned, operated, and maintained by the Company and are connected to the Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by the Company at

SERVICES, SLS-SV (continued)

the time service is contracted. The Company will install the street lights as requested upon payment by the customer of the aforementioned excess costs. The customer may elect to pay monthly minimum charges for a period not to exceed 60 months based on the estimated construction cost of such additional facilities.

REPLACEMENTS:

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

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

TERMS OF PAYMENT:

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

CONTRACT:

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

RULES AND REGULATIONS:

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

SERVICES

**HIGH PRESSURE SODIUM VAPOR STREET LIGHTING SERVICE; DIVIDED OWNERSHIP
(SLS-SVD)**

AVAILABILITY:

Penn Power

Available only to present Customers for installations now being served prior to December 31, 2023. Available to municipalities and other governmental agencies for lighting public streets, highways, bridges, parking lots, parks, and similar public places. The Company will furnish energy and maintenance only to those HPS street light units that are listed in the Company's approved material standards. Maintenance shall include lamp replacement, photo-cell replacement, and scheduled cleaning. Lighting units will operate from sunset to sunrise, each night of the year, approximately 4,070 hours of annual operation.

GENERAL MONTHLY CHARGES:

Distribution Charge

| Rating in Watts | Nominal Lumens | Average Monthly kWh | Distribution |
|-----------------|----------------|---------------------|--------------|
| 70 | 5,800 | 32 | \$4.33 |
| 100 | 9,500 | 46 | \$4.31 |
| 150 | 16,000 | 66 | \$5.36 |
| 250 | 27,500 | 98 | \$5.86 |
| 400 | 50,000 | 156 | \$3.37 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

GENERAL CONDITIONS:

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

SERVICES, SLS-SVD (continued)

ADDITIONAL FACILITIES:

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

REPLACEMENTS:

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

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

TERMS OF PAYMENT:

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

SERVICES, SLS-SVD (continued)

CONTRACT:

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

RULES AND REGULATIONS:

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

SERVICES

**SCHEDULE 51
STREET LIGHTING SERVICE**

AVAILABILITY:

West Penn

Available only to present Customers for installations now being served prior to June 6, 1997 for mercury vapor street lighting to municipalities and to unincorporated communities, for lighting public bridges and major highway interchanges, for other suitable readily-accessible locations as solely determined by the Company, and for connections existing as of August 28, 1985.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

| Rate District | West Penn | | |
|---------------|-----------|-----|--------------|
| Lumen | Watts | kWh | Monthly Rate |
| 8,150 | 175 | 74 | \$10.17 |
| 11,500 | 250 | 103 | \$14.07 |
| 21,500 | 400 | 162 | \$17.29 |
| 60,000 | 1,000 | 386 | \$26.81 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

GENERAL:

Compensating for Transmission and Distribution Losses.

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated offpeak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

The rating of lamps in lumens is for identification and shall approximate the manufacturer's standard rating.

SERVICES, SCHEDULE 51 (continued)

LONG TERM SERVICE:

TERM

Locations served hereunder prior to July 1978 have a street lighting agreement for an initial term of five years which will continue in effect upon the same conditions for successive five-year terms until cancelled by written notice by either party to the other at least 90 days prior to the expiration of the initial or successive term. After two successive five-year terms, the Agreement may also be cancelled by the Customer upon written notice at least 90 days in advance of cancellation.

New locations and additions to existing contracts will have an initial term of ten years and remain in force thereafter until a 90 day written cancellation notice has been given and the initial term and cancellation notice period have expired.

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

STANDARD OVERHEAD SYSTEMS:

Company will, at its own cost, install, operate, and maintain its standard overhead street lighting equipment for municipalities, unincorporated communities, and public agencies where service can be supplied from existing distribution systems along public thoroughfares. Customer shall pay the installed cost of any facilities required to extend service.

SPECIAL SYSTEMS:

Company will provide underground, ornamental, and other special systems when the additional installed cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer. Company shall take title to the special system and shall operate and maintain the facilities. At the termination of the useful life of the special system or designated components of the special system for any reason, a new system or component shall be installed under similar conditions.

Company shall change the location of any lighting unit upon the written request of the Customer. Customer shall pay the Company the total relocation cost.

SERVICES, SCHEDULE 51 (continued)

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the system or any of its component parts.

Customer shall reimburse the Company for total costs, less cost of standard fixture and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the system or any component part thereof, excluding fixture and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the system or any of its component parts. The operating lifetime of the system shall not be less than twenty (20) years from the date of installation of the system. Upon the determination of the Company that the operating lifetime of the system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the system or its applicable component part. Customer shall give written notice of such election to the Company at its local office.

In the event Customer elects to replace the system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard fixtures and brackets which would have been required had the system been the Company's standard overhead distribution system.

If the Customer elects to de-energize the system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the de-energized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the system or its applicable component part. Upon Customer's written request, Company shall remove the de-energized system or component part thereof. Such removal shall be at Customer's expense.

Company will provide bridge lighting when Customer installs and maintains fixture supports and conduit for the supply line. Company shall furnish and maintain lamp fixtures and supply line and will provide energy and lamp replacements.

SERVICES, SCHEDULE 51 (continued)

CONDITIONS:

Customer shall furnish Company a certified map, showing the location and size of each unit included in the initial installation provided for in this Agreement. Company shall install said units as designated.

Company shall furnish units at additional locations in accordance with Company practices upon the written order of Customer; Company shall increase size of any unit on the same Rate Schedule upon written order of Customer.

Company shall change the location of any unit furnished under this Agreement, upon written order of Customer, if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one unit during term this Agreement is in effect.

Customer shall provide to Company, free of cost, a satisfactory right-of-way, location, and housing for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

Company shall not be liable for damages to the Customer for any failure in such lighting which results from any cause beyond the Company's control.

Company shall change the location of any unit furnished under this Agreement, upon written order of Customer, if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one unit during term this Agreement is in effect.

Customer shall provide to Company, free of cost, a satisfactory right-of-way, location, and housing for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

Company shall not be liable for damages to the Customer for any failure in such lighting which results from any cause beyond the Company's control.

Customer shall notify Company in writing at the Company's local office of all outages and the locations thereof not later than 12 o'clock Noon on the day following the night which the outages occurred.

Pavement and/or sidewalk damaged in the erection and/or maintenance of street lighting systems hereunder shall be placed by the Company in as good condition as existed before the said acts of erection and/or maintenance.

SERVICES, SCHEDULE 51 (continued)

CONTRACT:

Company standard form of Street Lighting Agreement shall be executed.

SERVICES

**SCHEDULE 52
OUTDOOR LIGHTING SERVICE**

AVAILABILITY:

West Penn

Available for existing high pressure sodium vapor outdoor lighting installed before June 6, 1997 and for existing mercury vapor installations installed prior to August 28, 1985.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

| Rate District | West Penn | | |
|---------------|----------------------------|-----|--------------|
| Lamp Type | High Pressure Sodium Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$11.72 |

| Rate District | West Penn | | |
|---------------|---------------|-----|--------------|
| Lamp Type | Mercury Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 4,000 | 100 | 45 | \$8.75 |
| 8,150 | 175 | 74 | \$9.86 |
| 21,500 | 400 | 162 | \$16.04 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

SERVICES

**SCHEDULE 53
STREET AND AREA LIGHTING**

AVAILABILITY:

West Penn

Available only for present Customers for installations being served prior to June 6, 1997 for high pressure sodium vapor street and area lighting to Customers for lighting roadways, parking lots, and other suitable readily-accessible areas as solely determined by the Company.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

OVERHEAD SERVICE

| Rate District | West Penn | | |
|---------------|-----------|-----|--------------|
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$13.12 |
| 22,000 | 200 | 86 | \$17.47 |
| *50,000 | 400 | 167 | \$25.27 |

*Also available for floodlighting application.

UNDERGROUND SERVICE

Low Mount

| Rate District | West Penn | | |
|---------------|-----------|-----|--------------|
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$22.83 |

High Mount

| Rate District | West Penn | | | |
|---------------|-----------|-----|---------------------------|------------------------------------|
| Lumen | Watts | kWh | Single Luminaire Per Pole | Each Additional Luminaire Per Pole |
| 9,500 | 100 | 51 | \$44.79 | \$21.46 |
| 22,000 | 200 | 86 | \$44.44 | \$22.88 |
| 50,000 | 400 | 167 | \$48.23 | \$26.66 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

SERVICES, SCHEDULE 53 (continued)

DEFAULT SERVICE CHARGES:

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

GENERAL:

Compensating for Transmission and Distribution Losses.

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating. All lamps are lighted from dusk to dawn aggregating approximately 4,200 hours per year.

TERM:

STANDARD TERM

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

LONG TERM

After the initial term, the Agreement shall remain in effect until cancelled by not less than 90 days prior written notice of cancellation.

SERVICES, SCHEDULE 53 (continued)

CONDITIONS:

Company will, at its own cost, install, operate, and maintain its standard outdoor lighting equipment.

If Customer takes service under a Standard Term Agreement and terminates service under Agreement for any reason prior to the expiration of the initial five-year term, Customer shall pay as liquidated damages and not a penalty the removal cost plus remaining value of the system. If Customer takes service under Long Term Agreement and terminates service under Agreement for any reason during the first five years of initial term, Customer shall pay as liquidated damages and not a penalty a sum equal to the difference between the Long Term Rate and Standard Term Rate for each luminaire under the Agreement which is terminated for the entire period service was provided under Agreement, together with the cost of removal of the system plus remaining value of the system. If Customer takes service under Long Term Service Agreement and terminates service for any reason during the sixth through tenth years of the initial term, Customer shall pay as liquidated damages and not a penalty a sum equal to the difference between the Long Term Rate and Standard Term Rate for each luminaire under the Agreement which is terminated for the entire period service was provided under Agreement.

Customer shall be responsible for selecting the lamp size and location of the luminaire which shall be in conformance with applicable safety standards and governmental regulations. Customer shall obtain appropriate approval for lights to be located on public thoroughfares.

Customer shall be responsible for inspecting lighting locations to determine when any lamp is not operating and for reporting non-operating lighting locations to the Company.

Company will replace burned-out lamps and otherwise maintain the equipment during regular daytime working hours as soon as practical following notification by Customer.

Customer shall provide the Company's employees and equipment free access to the Customer's premises, at all reasonable hours, for purposes necessary or proper in connection with supplying and maintaining service.

Overhead service facilities shall consist of a standard overhead, enclosed luminaire and photoelectric switch control mounted on a luminaire bracket not to exceed 8 feet in length. For floodlighting applications, a standard floodlighting luminaire with photoelectric switch and adjustable mounting bracket is installed. Either luminaire is mounted on an existing Company-owned or approved pole. Customer shall pay the installed cost of any facilities required to extend service and the cost of rearranging facilities necessary to serve lights or to obtain required mounting height.

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

SERVICES, SCHEDULE 53 (continued)

Underground Service – Low mount facilities shall consist of a post top luminaire, a photoelectric switch control and an ornamental pole approximately 14 feet in height. High mount facilities shall consist of a rectangular enclosed luminaire, a photoelectric switch control and an ornamental pole approximately 30 feet in height. Facilities for the high mount "Additional Luminaire Per Pole" shall consist of an additional rectangular enclosed luminaire and a photoelectric switch control mounted on the ornamental pole installed for the "Single Luminaire Per Pole" installation.

Underground service will be installed where service is supplied from an existing underground distribution system and the point of connection for secondary service is located within three feet of the base of the light pole. Where the point of connection for secondary service to the light is not located within three feet of the pole, Customer shall pay the installed cost and be responsible for the maintenance cost of any facilities required to provide underground secondary service to the base of the light pole.

SPECIAL SYSTEMS:

Company will provide non-standard underground, ornamental and other special systems when the additional installed cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer. In this case, Customer shall pay the standard overhead service rate. Company shall take title to the special system and shall operate and maintain the facilities. Customer shall be responsible for all damages to or loss of special system unless due to the negligence of the Company.

At the termination, for any reason, of the useful life of the special system or designated components of the special system, a new system or component shall be installed under similar Agreement conditions.

Company shall change the location of any lighting unit upon the written request of the Customer. Customer shall pay the Company the total relocation cost of the same.

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the system or any of its component parts.

Customer shall reimburse the Company for total costs, less cost of standard fixture and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the system or any component part thereof, excluding fixture and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

SERVICES, SCHEDULE 53 (continued)

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the system or any of its component parts. The operating lifetime of the system shall not be less than twenty (20) years from the date of installation of the system. Upon the determination of the Company that the operating lifetime of the system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the system or its applicable component part. Customer shall give written notice of such election to the Company at its local office.

In the event Customer elects to replace the system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard fixtures and brackets which would have been required had the system been the Company's standard system.

If the Customer elects to de-energize the system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the de-energized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the system or its applicable component part. Upon Customer's written request, Company shall remove the de-energized system or component part thereof. Such removal shall be at Customer's expense.

CONTRACT:

Company standard form of Street Lighting Agreement shall be executed.

SERVICES

**SCHEDULE 54
STREET LIGHTING SERVICE**

AVAILABILITY:

West Penn

Available only to present Customers for installations now being served prior to June 6, 1997 for high pressure sodium vapor street lighting to municipalities and to unincorporated communities and for lighting major highway interchanges and other suitable readily-accessible locations as solely determined by the Company.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

| Rate District | West Penn | | |
|---------------|-----------|-----|--------------|
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$12.39 |
| 22,000 | 200 | 86 | \$16.78 |
| 50,000 | 400 | 167 | \$24.56 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

GENERAL:

Compensating for Transmission and Distribution Losses.

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating.

SERVICES, SCHEDULE 54 (continued)

TERM:

Ten years initially. Agreement shall remain in force until a 90 day written cancellation notice has been given and the initial term and cancellation notice period have expired.

CONDITIONS:

Company will, at its own cost, install, operate, and maintain its standard overhead street lighting equipment for municipalities, unincorporated communities, and public agencies where service can be supplied from existing distribution systems along public thoroughfares. Customer shall pay the installed cost of any facilities required to extend service and the cost of rearranging of facilities necessary to serve lights or to obtain required mounting height.

Customer shall furnish Company a certified map, showing the location and size of each unit included in the initial installation provided for in this Agreement. Company shall install said units as designated.

Company shall furnish units at additional locations in accordance with Company practices upon the written order of Customer; Company shall increase size of any unit on the same Rate Schedule upon written order of Customer.

Company shall change the location of any unit furnished under Agreement, upon written order of Customer, if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one unit during term Agreement is in effect.

Customer shall provide to Company, free of cost, a satisfactory right-of-way, location, and housing for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

Company shall not be liable for damages to the Customer for any failure in such lighting which results from any cause beyond the Company's control.

Customer shall notify Company in writing at the Company's local office of all outages and the locations thereof not later than 12 o'clock Noon on the day following the night which the outages occurred.

Pavement and/or sidewalk damaged in the erection and/or maintenance of street lighting systems hereunder shall be placed by the Company in as good condition as existed before the said acts of erection and/or maintenance.

If Customer terminates street lighting service under this Schedule for any reason prior to the expiration of the initial term, Customer shall pay removal cost plus remaining value of the system.

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

SERVICES, SCHEDULE 54 (continued)

SPECIAL SYSTEMS:

Company will provide non-standard underground, ornamental and other special systems when the additional installed cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer. Company shall take title to the special system and shall operate and maintain the facilities.

At the termination, for any reason, of the useful life of the special system or designated components of the special system, a new system or component shall be installed under similar conditions. The 10-year initial term requirement will apply to any new system or designated component upon installation.

Company shall change the location of any lighting unit upon the written request of the Customer. Customer shall pay the Company the total relocation cost of the same.

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the system or any of its component parts.

Customer shall reimburse the Company for total costs, less cost of standard fixture and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the system or any component part thereof, excluding fixture and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the system or any of its component parts. The operating lifetime of the system shall not be less than twenty (20) years from the date of installation of the system. Upon the determination of the Company that the operating lifetime of the system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the system or its applicable component part. Customer shall give written notice of such election to the Company at its local office.

In the event Customer elects to replace the system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard fixtures and brackets which would have been required had the system been the Company's standard overhead distribution system.

SERVICES, SCHEDULE 54 (continued)

If the Customer elects to de-energize the system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the de-energized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the system or its applicable component part. Upon Customer's written request, Company shall remove the deenergized system or component part thereof. Such removal shall be at Customer's expense.

CONTRACT:

Company standard form of Street Lighting Agreement shall be executed.

SERVICES

**SCHEDULE 55
AREA LIGHTING SERVICE – UNDERGROUND DISTRIBUTION**

AVAILABILITY:

West Penn

Available only to present Customers for installations now being served prior to June 6, 1997 for high-pressure sodium vapor lighting to municipalities for area lighting service from an underground distribution system. Also available for existing mercury vapor installations installed prior to January 8, 1989.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

| Rate District | West Penn | | |
|---------------|------------------------|-----|--------------|
| Lamp Type | Sodium Vapor Low Mount | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$22.12 |

| Rate District | West Penn | | |
|---------------|---|-----|--------------|
| Lamp Type | Sodium Vapor High Mount – Single Luminaire per pole | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$40.75 |
| 22,000 | 200 | 86 | \$43.69 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | Sodium Vapor High Mount – Each additional Luminaire per pole | | |
| Lumen | Watts | kWh | Monthly Rate |
| 22,000 | 200 | 86 | \$22.07 |

| Rate District | West Penn | | |
|---------------|---------------|-----|--------------|
| Lamp Type | Mercury Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 8,150 | 175 | 74 | \$18.97 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

SERVICES, SCHEDULE 55 (continued)

GENERAL:

Compensating for Transmission and Distribution Losses.

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating.

TERM:

The initial term of the Agreement shall be ten years. After the initial term, the Agreement shall remain in effect until a 90 day written notice of cancellation is provided and, unless Customer provides specific date in writing more than 90 days in the future, upon the expiration of 90 days.

CONDITIONS:

Company will, at its own cost, install, operate, and maintain its standard outdoor area lighting equipment. Low mount facilities shall consist of a post top fixture, a photoelectric switch control and an ornamental pole approximately 14 feet in height. High mount facilities shall consist of a rectangular enclosed fixture, a photoelectric switch control, and an ornamental pole approximately 30 feet in height. Facilities for the high mount "Additional Fixture Per Pole" shall consist of an additional rectangular enclosed fixture and a photoelectric switch control mounted on the ornamental pole installed for the "Single Fixture Per Pole" installation. These will be installed where service is supplied from an existing underground distribution system and the point of connection for secondary service is located within three feet of the base of the light pole. Where the point of connection for secondary service to the area light is not located within three feet of the pole, Customer shall pay the installed cost and be responsible for the maintenance cost of any facilities required to provide underground secondary service to the base of the light pole.

Customer shall furnish Company a certified map, showing the location and size of each unit included in the initial installation provided for in this Agreement. Company shall install said units as designated.

Company shall furnish units at additional locations in accordance with Company practices upon the written order of Customer; Company shall increase size of any unit on the same Rate Schedule upon written order of Customer.

Company shall change the location of any unit furnished under this Agreement, upon written order of Customer, if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one unit during term this Agreement is in effect.

SERVICES, SCHEDULE 55 (continued)

Customer shall provide to Company, free of cost, a satisfactory right-of-way, location, and housing for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

Company shall not be liable for damages to the Customer for any failure in such lighting which results from any cause beyond the Company's control.

Customer shall notify Company in writing at the Company's local office of all outages and the locations thereof not later than 12 o'clock Noon on the day following the night which the outages occurred.

Pavement and/or sidewalk damaged in the erection and/or maintenance of street lighting systems hereunder shall be placed by the Company in as good condition as existed before the said acts of erection and/or maintenance.

At the termination of the useful life of the special system or designated components of the specials system, a new system or component shall be installed under similar conditions. The ten-year initial term requirement will apply to any new system or designated component upon installation.

If Customer terminates area lighting service under this schedule, for any reason, prior to the expiration of the initial term, Customer shall pay removal cost plus remaining value of the system.

SPECIAL SYSTEMS:

Company will provide ornamental and other special systems when the additional installed cost in excess of the estimated cost of a standard system for the same application is paid by Customer. Company shall take title to the special system and shall operate and maintain the facilities. At the termination of the useful life of the special system or designated components of the special system for any reason, a new system or component shall be installed under similar conditions.

Company shall change the location of any lighting unit upon the written request of the Customer. Customer shall pay the Company the total relocation cost of the same.

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the system or any of its component parts.

SERVICES, SCHEDULE 55 (continued)

Customer shall reimburse the Company for total costs, less cost of standard fixture and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the system or any component part thereof, excluding fixture and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the system or any of its component parts. The operating lifetime of the system shall not be less than twenty (20) years from the date of installation of the system. Upon the determination of the Company that the operating lifetime of the system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the system or its applicable component part. Customer shall give written notice of such election to the Company at its local office.

In the event Customer elects to replace the system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard fixtures and brackets which would have been required had the system been the Company's standard system.

If the Customer elects to de-energize the system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the de-energized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the system or its applicable component part. Upon Customer's written request, Company shall remove the de-energized system or component part thereof. Such removal shall be at Customer's expense.

CONTRACT:

Company standard form of Street Lighting Agreement shall be executed.

SERVICES

**SCHEDULE 56
STREET LIGHTING SERVICE - CUSTOMER-OWNED EQUIPMENT**

AVAILABILITY:

West Penn

Available only to present Customers for installations now being served prior to June 6, 1997 for high-pressure sodium vapor street lighting to municipalities. This Schedule is not available to serve lighting systems in an area where there will be a mix of Company-owned and Customer-owned systems.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

| Rate District Lumen | West Penn | | | |
|------------------------|-----------|-----|--|--|
| | Watts | kWh | Installed on Customer-Owned Pole | Installed on Company's Distribution system |
| 9,500 | 100 | 51 | \$5.05 | \$6.71 |
| 22,000 | 200 | 86 | \$8.36 | \$10.85 |
| 50,000 | 400 | 167 | \$13.63 | \$16.53 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

GENERAL:

Compensating for Transmission and Distribution Losses.

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating.

SERVICES, SCHEDULE 56 (continued)

TERM:

Initial term of the Agreement shall be one year. After the initial term, the Agreement shall remain in effect until a 30-day written notice of cancellation is provided and, unless Customer provides specific date in writing more than 30 days in the future, upon the expiration of 30 days.

CONDITIONS:

Company will provide maintenance service and deliver energy to approved Customer owned high pressure sodium vapor street lighting facilities. A full description of Customer's proposed equipment shall be submitted in writing by the Customer prior to Customer's furnishing the equipment to the Company.

Existing Company poles may be available for Customer-owned street lighting equipment. All equipment supplied by Customer for placement on Company's poles will be installed by Company at Customer's expense. Customer shall at no time enter upon Company's electric facilities in any manner. All maintenance and any other repair of equipment on Company poles shall be performed by Company.

Where street lighting system (including supporting poles) is wholly owned by Customer, the Customer is responsible for furnishing and installing all street lighting equipment. Installation of street lighting equipment may be performed by Company upon prior arrangement at Customer's sole cost. All Customer-owned equipment must be installed prior to connection to Company's service circuits. All subsequent changes, removals or additions must first be approved by the Company.

The monthly rate provided in this Schedule shall include standard maintenance, which shall be limited to scheduled cleaning and normal lamp and photo cell replacement not caused by vandalism or accident involving a third party. In the event that maintenance beyond standard maintenance is necessary, the Customer will be charged for time, materials and other costs required to do said maintenance. For Customer-owned equipment on Customer-owned poles, any maintenance beyond the standard maintenance provided by this Schedule should be performed by Customer; however, upon prior arrangement, the Company will perform such maintenance on a time and materials cost basis.

The Customer is responsible for providing non-standard material or parts not included in Company's standard offerings. Customer shall be responsible for reporting any outages or malfunctions of any street light installed under this Schedule. The Company will provide appropriate maintenance as soon as practicable upon notification by Customer.

All Customer charges are subject to any applicable local, state, and federal taxes.

SERVICES, SCHEDULE 56 (continued)

CONTRIBUTION IN AID OF CONSTRUCTION:

A charge will be made to the Customer in the amount of the estimated cost to the Company for installing all necessary facilities to provide service to the Customer's street light system. Also, the Customer will be charged the estimated cost for any alterations or adjustments to the existing overhead or underground lines necessary to provide adequate clearance or spacing for the street light system. Such charges will be collected prior to the start of construction.

CONNECTION/DISCONNECTION FEE:

The fee for connecting or disconnecting a street light shall be \$15.00 per light with a \$40.00 minimum per trip. Any work required in addition to that of connecting or disconnecting a light will be charged to the Customer based on the estimated cost to do the work.

EQUIPMENT REMOVAL AND REMOVAL CHARGES:

Removal of Customer-owned equipment from Company's poles shall be performed by Company at Customer's sole cost. Company in its discretion shall have the right to determine that Customer-owned equipment on its poles has become so obsolete, worn, damaged or hazardous that it must be removed. Removal of Customer-owned lighting equipment from Customer-owned poles or removal of Customer-owned lighting equipment and poles may be performed by Company upon prior arrangement at Customer's sole cost.

ADDITIONAL CONDITIONS:

Customer shall furnish Company a certified map showing the location and size of each unit included in the initial installation provided for in this Agreement.

Customer shall not enter upon Company's electric facilities at any time or in any manner.

Company shall change the location of any unit furnished under this Agreement upon written order of Customer. All costs associated with such change shall be paid by Customer.

Company shall not be liable for any direct, consequential and special damages to the Customer for any failure in lighting which results from any cause beyond the Company's control.

Company's approval of the Customer's facilities indicates only that the facilities are compatible with Company's system. Company's approval will not be construed to mean that the Customer's facilities are adequate or comply with any code or standard relating to lighting or illumination, or relating to the placement of lighting or illumination, such matters being the sole responsibility of the Customer. Customer agrees to hold harmless the Company for any liability or threat of liability by third parties relating to the placement of or adequacy of Customer's facilities.

SERVICES, SCHEDULE 56 (continued)

Company does not make, and Company hereby excludes, any and all implied warranties of merchantability and warranties of fitness of the electrical service provided by Company.

Costs of additional or special facilities provided hereunder shall be the responsibility of and shall be paid by Customer. Prior to installation, Customer shall reimburse Company for the costs of said additional or special facilities.

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

CONTRACT:

Company standard form of street lighting energy and maintenance agreement shall be executed.

SERVICES

**SCHEDULE 57
OUTDOOR LIGHTING
EQUIPMENT, MAINTENANCE, AND UNMETERED SERVICE**

AVAILABILITY:

West Penn

Available for existing outdoor lighting installed before December 31, 2023 and for existing mercury vapor installations installed prior to February 13, 2009. Available for roadway and other outdoor lighting supplied from overhead or underground secondary distribution system of the Company and contracted for by a Customer for lighting accessible areas.

GENERAL MONTHLY CHARGES:

Distribution Charge by Nominal Lamp Size:

OVERHEAD SERVICE

| Rate District | West Penn | | | |
|---------------|--|-----|----------------------------|----------------------------|
| Lamp Type | High Pressure Sodium – Vertical Open Lens Luminaire (“OL”) | | | |
| Lumen | Watts | kWh | Installed on New Wood Pole | Installed on Existing Pole |
| 9,500 | 100 | 51 | \$21.41 | \$11.92 |

| Rate District | West Penn | | |
|---------------|---|-----|--------------|
| Lamp Type | Mercury Vapor - Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 8,150 | 175 | 74 | \$9.68 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | High Pressure Sodium - Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$11.72 |
| 22,000 | 200 | 86 | \$15.65 |
| 50,000 | 400 | 167 | \$22.61 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | Metal Halide - Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 8,500 | 100 | 51 | \$16.70 |
| 11,600 | 175 | 74 | \$16.70 |
| 36,000 | 400 | 157 | \$24.38 |
| 90,000 | 1000 | 379 | \$35.24 |

SERVICES, SCHEDULE 57 (continued)

| Rate District | West Penn | | |
|---------------|---------------------------------|-----|--------------|
| Lamp Type | High Pressure Sodium Floodlight | | |
| Lumen | Watts | kWh | Monthly Rate |
| 22,000 | 200 | 86 | \$17.72 |
| 50,000 | 400 | 167 | \$24.56 |

| Rate District | West Penn | | |
|---------------|-------------------------|-----|--------------|
| Lamp Type | Metal Halide Floodlight | | |
| Lumen | Watts | kWh | Monthly Rate |
| 36,000 | 400 | 157 | \$24.79 |
| 90,000 | 1000 | 379 | \$35.24 |

UNDERGROUND SERVICE

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | High Pressure Sodium - Colonial Post Top Luminaire 14' Mounting Height | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$20.45 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | Metal Halide - Colonial Post Top Luminaire 14' Mounting Height | | |
| Lumen | Watts | kWh | Monthly Rate |
| 11,600 | 175 | 74 | \$25.08 |

| Rate District | West Penn | | | |
|---------------|---|-----|---------------------------|------------------------------------|
| Lamp Type | High Pressure Sodium - Horizontal Luminaire (Cobra Head) 30' Mounting Height ¹ | | | |
| Lumen | Watts | kWh | Single Luminaire Per Pole | Each Additional Luminaire Per Pole |
| 9,500 | 100 | 51 | \$38.15 | \$14.18 |
| 22,000 | 200 | 86 | \$39.95 | \$18.88 |
| 50,000 | 400 | 167 | \$42.62 | \$27.30 |

¹ Mounted on a 30' direct burial pole.

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | Metal Halide - Horizontal Luminaire (Cobra Head) 30' Mounting Height | | |
| Lumen | Watts | kWh | Monthly Rate |
| 36,000 | 400 | 157 | \$51.57 |

| Rate District | West Penn | | | | |
|---------------|---|-----|---|------------------------------------|------------------------------------|
| Lamp Type | High Pressure Sodium - Rectangular Luminaire (Shoe Box) 30' Mounting Height | | | | |
| Lumen | Watts | kWh | Single Luminaire Per Pole, with base ² | Single Luminaire Per Pole, no base | Each Additional Luminaire Per Pole |
| 9,500 | 100 | 51 | \$60.48 | \$44.79 | \$21.46 |
| 22,000 | 200 | 86 | \$54.05 | \$41.64 | \$24.64 |
| 50,000 | 400 | 167 | \$56.14 | \$52.09 | \$28.81 |

² With base includes the installation of a non-concrete power installed foundation where soil conditions warrant its application.

SERVICES, SCHEDULE 57 (continued)

| Rate District | West Penn | | | |
|---------------|---|-----|------------------------------------|------------------------------------|
| Lamp Type | Metal Halide - Rectangular Luminaire (Shoe Box) 30' Mounting Height | | | |
| Lumen | Watts | kWh | Single Luminaire Per Pole, no base | Each Additional Luminaire Per Pole |
| 36,000 | 400 | 157 | \$53.56 | \$31.68 |

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

TERM:

SHORT TERM

Short Term Service having an initial term of thirty (30) days is available if the Customer makes an initial payment of the cost of installation and removal of the luminaire and bracket in addition to any other payments required under "CONDITIONS" below. This initial payment shall be refundable with interest if the lighting system remains in service for five years. After the initial term, the Agreement shall remain in effect until canceled by either party with not less than thirty (30) days prior written notice of cancellation.

LONG TERM

Long Term Service having an initial term of ten years is available and monthly rate as set forth in this schedule shall be reduced by fifty cents per lamp. After the initial term, the Agreement shall remain in effect until canceled by either party with not less than 90 days prior written notice of cancellation.

SERVICES, SCHEDULE 57 (continued)

CONDITIONS:

STANDARD SYSTEMS

OVERHEAD SERVICE

Facilities shall consist of:

1. Standard overhead, horizontal luminaire (cobra head) and photoelectric control mounted on a luminaire bracket.
2. Standard vertical open lens luminaire ("OL") and photoelectric control mounted on a luminaire bracket.
3. Standard floodlighting luminaire with photoelectric control and an adjustable mounting bracket.

Luminaire is mounted on an existing Company-owned or approved pole.

UNDERGROUND SERVICE

Facilities shall consist of:

1. Standard colonial post top luminaire, a photoelectric control and a direct buried fiberglass pole approximately 14 feet in height.
2. Standard overhead, horizontal luminaire (cobra head), a photoelectric control and a direct buried fiberglass pole approximately 30 feet in height.
3. Standard rectangular enclosed luminaire, a photoelectric control and a square steel pole approximately 30 feet in height mounted on a non-concrete power installed foundation.
4. Standard rectangular enclosed area (galleria) luminaire, a photoelectric control and a square steel pole approximately 40 feet in height. The base foundation is normally provided by the Customer.

When required, the Customer is responsible for the costs associated with furnishing and installing any concrete bases for poles.

Underground service will be installed where service is supplied from an existing underground distribution system. Where the point of connection for secondary service to the luminaire is not located within three feet of the pole, Customer shall pay the Company's installed cost and be responsible for the Company's maintenance cost of any extra facilities required to provide underground secondary service.

The Customer shall pay for or, at the option of the Company, provide any conduit, excavating, backfilling, reconstructing and resurfacing necessary for the installation and maintenance of the underground cable.

SERVICES, SCHEDULE 57 (continued)

COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

GENERAL:

All costs described in this schedule are actual costs or, where applicable, estimates based on standard engineering practice.

The installed cost of any facilities required to extend service and the cost of rearranging facilities necessary to serve luminaires or to obtain required mounting height is paid by Customer. Payment plans can be arranged with Company.

In the event of early termination for any reason prior to expiration of the initial term of the agreement, Customer shall pay either the balance of the agreement responsibility, less applicable energy charge, or the cost of installation and removal of equipment, whichever is less. Any remaining balance due for extra facilities, rearranging of facilities or other additional installed costs which were separately billed over the term of the agreement shall also become immediately due and payable.

All Customer charges are subject to any applicable local, state and federal taxes.

Company shall not be liable for damages to the Customer for any failure in any lighting system which results from any cause beyond the Company's control.

COMPANY RESPONSIBILITIES

Company will, at its own cost, install, operate, and maintain its standard outdoor lighting equipment with unmetered service.

Company will replace burned-out lamps and otherwise maintain the equipment during regular daytime working hours as soon as practicable following notification by Customer.

Company shall furnish luminaires at additional locations in accordance with Company practices upon the written order of Customer; Company shall increase size of any luminaire in the same Rate Schedule upon written order of Customer.

Company shall change the location of any luminaire furnished under Agreement, upon written order of Customer if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one luminaire during term Agreement is in effect.

SERVICES, SCHEDULE 57 (continued)

Customer Responsibilities

Customer shall provide to Company free of cost and with free access, a satisfactory right-of-way and location for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

Customer shall be responsible for selecting the lamp size and location of the luminaire which shall be in conformance with applicable safety standards and governmental regulations. Customer shall obtain appropriate approval for luminaires to be located on public thoroughfares.

Customer shall be responsible for reporting non-operating lighting systems to the Company.

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

MUNICIPAL INSTALLATIONS

Company will provide bridge lighting when Customer installs and maintains luminaire supports and conduit for the supply line. Company shall furnish and maintain luminaire and conductors and will provide energy and lamp replacements.

Municipal Customer shall furnish Company a certified map, showing the location and size of each luminaire included in the initial installation provided for in the agreement. Company shall install said luminaires as designated. Upon prior arrangement, Company will prepare a map for Customer approval for an additional cost.

SPECIAL SYSTEMS

GENERAL

Company will provide non-standard underground, ornamental and other special lighting systems when the additional installed cost in excess of the estimated cost of a standard lighting system for the same application is paid by Customer. In this case, Customer shall pay the standard service rate. Company shall take title to the special system and shall operate and maintain the facilities. Customer shall be responsible for all damages to or loss of special lighting system unless due to the negligence of the Company.

The additional installed cost of a special lighting system in excess of the estimated cost of a standard lighting system is paid by the Customer. Payment plans can be arranged with Company.

SERVICES, SCHEDULE 57 (continued)

In the event of early termination for any reason, prior to expiration of the initial term of the agreement, Customer shall pay either the balance of the agreement responsibility, less applicable energy charge, or the cost of installation and removal of equipment, whichever is less. Any remaining balance due for extra facilities, rearranging of facilities or other additional installed costs which were separately billed over the term of the agreement shall also become immediately due and payable.

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the special lighting system or any of its component parts. The operating lifetime of the special lighting system shall not be less than twenty (20) years from the date of installation. Upon the determination of the Company that the operating lifetime of the special lighting system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the special lighting system or its applicable component part. Customer shall give written notice of such election to the Company.

In the event Customer elects to replace the special lighting system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost of the existing system. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard luminaires and brackets which would have been required had the system been the Company's standard lighting system.

If the Customer elects to de-energize the special lighting system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the deenergized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the special lighting system or its applicable component part. Upon Customer's written request, Company shall remove the de-energized system or component part thereof. Such removal shall be at Customer's expense.

COMPANY RESPONSIBILITIES

At the termination, for any reason, of the useful life of the special lighting system or designated components of the special lighting system, a new system or component shall be installed under similar Agreement conditions.

Company shall change the location of any special lighting system upon the written request of the Customer. Customer shall pay the Company the total relocation cost of the same.

SERVICES, SCHEDULE 57 (continued)

CUSTOMER RESPONSIBILITIES

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the special lighting system or any of its component parts.

Customer shall reimburse the Company for total costs, less cost of standard luminaire and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the lighting system or any component part thereof, excluding luminaire and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed, Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

CONTRACT:

Company standard form of Outdoor Lighting Agreement shall be executed, when appropriate, along with applicable map showing location and size of all luminaires.

SERVICES

**SCHEDULE 58
OUTDOOR LIGHTING MAINTENANCE AND UNMETERED SERVICE**

AVAILABILITY:

West Penn

Available for high-pressure sodium, mercury vapor and metal halide lighting being served prior to February 13, 2009.

GENERAL MONTHLY CHARGES:

Distribution Charge

Installed On Customer Owned Pole:

| Rate District | West Penn | | |
|---------------|----------------------------|-----|--------------|
| Lamp Type | High Pressure Sodium Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$4.52 |
| 22,000 | 200 | 86 | \$7.77 |
| 50,000 | 400 | 167 | \$12.67 |

| Rate District | West Penn | | |
|---------------|---------------|-----|--------------|
| Lamp Type | Mercury Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 21,500 | 400 | 162 | \$9.01 |

| Rate District | West Penn | | |
|---------------|--------------|-----|--------------|
| Lamp Type | Metal Halide | | |
| Lumen | Watts | kWh | Monthly Rate |
| 15,000 | 250 | 103 | \$8.08 |
| 36,000 | 400 | 157 | \$8.60 |
| 90,000 | 1,000 | 379 | \$15.79 |

SERVICES, SCHEDULE 58 (continued)

Installed on Company's Distribution System:

| Rate District | West Penn | | |
|---------------|----------------------------|-----|--------------|
| Lamp Type | High Pressure Sodium Vapor | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$6.24 |
| 22,000 | 200 | 86 | \$9.33 |
| 50,000 | 400 | 167 | \$14.23 |

| Rate District | West Penn | | |
|---------------|--------------|-----|--------------|
| Lamp Type | Metal Halide | | |
| Lumen | Watts | kWh | Monthly Rate |
| 11,600 | 175 | 74 | \$8.60 |
| 15,000 | 250 | 103 | \$9.58 |
| 36,000 | 400 | 157 | \$10.16 |
| 90,000 | 1,000 | 379 | \$17.33 |

Note: The rating of the lamps in lumens is for identification and shall approximate the manufacturer's standard rating.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

TERM:

Initial term of the Agreement shall be one year. After the initial term, the Agreement shall remain in effect until a 30-day written notice of cancellation is provided and, unless Customer provides specific date in writing more than 30 days in the future, upon the expiration of 30 days. Any remaining balance due for extra facilities, rearrangement of facilities or other additional installed costs which were separately billed over the term of the agreement shall also become immediately due and payable.

SERVICES, SCHEDULE 58 (continued)

CONDITIONS:

Company will furnish energy and maintenance service to approved high pressure sodium, mercury vapor, metal halide, and incandescent outdoor lighting facilities. A full description of Customer's proposed equipment shall be submitted in writing by the Customer prior to Customer's furnishing the equipment to the Company.

All equipment supplied by Customer for placement on Company's poles will be installed by Company at Customer's expense. Customer shall at no time enter upon Company's electric facilities in any manner. All maintenance and any other repair of equipment on Company poles shall be performed by Company.

Where outdoor lighting system (including supporting poles) is wholly owned by Customer, the Customer is responsible for furnishing and installing all outdoor lighting equipment. Installation of outdoor lighting equipment may be performed by Company upon prior arrangement at Customer's sole cost. All Customer-owned equipment must be installed prior to connection to Company's service circuits. All subsequent changes, removals or additions must first be approved by the Company.

The monthly rate provided in this Schedule shall include standard maintenance, which shall be limited to scheduled cleaning and normal lamp and photoelectric control replacement not caused by vandalism or accident involving a third party. In the event that maintenance beyond standard maintenance is necessary, the Customer will be charged for time, materials and other costs required to do said maintenance. For Customer-owned equipment on Customer-owned poles, any maintenance beyond the standard maintenance provided by this Schedule may be performed by Customer; however, upon prior arrangement, the Company will perform such maintenance on a time and materials cost basis or previously agreed upon firm contract price.

Customer shall be responsible for reporting any outages or malfunctions of any outdoor light installed under this Schedule. The Company will provide appropriate maintenance as soon as practicable upon notification by Customer.

Customer shall furnish Company a certified map showing the location and size of each luminaire included in the initial installation provided for in this Agreement; however, upon prior arrangement the Company will prepare a map for Customer approval for an additional cost.

Company shall change the location of any luminaire furnished under this Agreement upon written order of Customer. All costs associated with such change shall be paid by Customer.

Company shall not be liable for any direct, consequential and special damages to the Customer for any failure in lighting which results from any cause beyond the Company's control.

SERVICES, SCHEDULE 58 (continued)

Company's approval of the Customer's facilities indicates only that the facilities are compatible with Company's system. Company's approval will not be construed to mean that the Customer's facilities are adequate or comply with any code or standard relating to lighting or illumination, or relating to the placement of lighting or illumination, such matters being the sole responsibility of the Customer. Customer agrees to hold harmless the Company for any liability or threat of liability by third parties relating to the placement of or adequacy of Customer's facilities.

Company does not make, and Company hereby excludes, any and all implied warranties of merchantability and warranties of fitness of the electrical service provided by Company.

Costs of additional or special facilities provided hereunder shall be the responsibility of and shall be paid by Customer. Customer shall reimburse Company for the costs of said additional or special facilities either prior to said installation or via payment plans arranged with the Company.

COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated off-peak lighting energy by 1.04808 produces the generation energy that must be delivered to the West Penn system.

CONTRIBUTION IN AID OF CONSTRUCTION:

A charge will be made to the Customer in the amount of the estimated cost to the Company for installing all necessary facilities to provide service to the Customer's outdoor lighting system. Also, the Customer will be charged the estimated cost for any alterations or adjustments to the existing overhead or underground lines necessary to provide adequate clearance or spacing for the outdoor lighting system.

All Customer charges are subject to any applicable local, state, and federal taxes.

All cost estimates are based on standard engineering practice.

CONNECTION/DISCONNECTION FEE:

The fee for connecting or disconnecting a Customer owned street light shall be \$15.00 per light with a \$40.00 minimum per trip. Any work required in addition to that of connecting or disconnecting luminaire will be charged to the Customer based on the estimated cost to do the work.

SERVICES, SCHEDULE 58 (continued)

EQUIPMENT REMOVAL AND REMOVAL CHARGES:

Removal of Customer-owned equipment from Company's poles shall be performed by Company at Customer's sole cost. Company shall have the right to determine that Customer-owned equipment on its poles has become so obsolete, worn, damaged or hazardous that it must be removed.

Removal of Customer-owned lighting equipment from Customer-owned poles or removal of Customer-owned lighting equipment and poles may be performed by Company upon prior arrangement at Customer's sole cost.

CONTRACT:

Company Standard Form of Outdoor Lighting Agreement shall be executed, when appropriate, along with applicable map showing location and size of all luminaires.

SERVICES

**SCHEDULE 59
OUTDOOR LIGHTING EQUIPMENT AND MAINTENANCE SERVICE**

AVAILABILITY:

West Penn

Available for roadway and other outdoor lighting being served prior to February 13, 2009 where energy is supplied by Customer's metered service and contracted for by a Customer for lighting accessible areas.

GENERAL MONTHLY CHARGES:

Distribution Charge

OVERHEAD SERVICE Installation on Existing Pole:

| Rate District | West Penn | | |
|---------------|---|-----|--------------|
| Lamp Type | Mercury Vapor – Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 8,150 | 175 | 74 | \$10.35 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | High Pressure Sodium – Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$11.41 |
| 22,000 | 200 | 86 | \$14.89 |
| 50,000 | 400 | 167 | \$17.64 |

| Rate District | West Penn | | |
|---------------|--|-----|--------------|
| Lamp Type | Metal Halide - Horizontal Luminaire (Cobra Head) | | |
| Lumen | Watts | kWh | Monthly Rate |
| 36,000 | 400 | 157 | \$16.98 |

| Rate District | West Penn | | |
|---------------|---------------------------------|-----|--------------|
| Lamp Type | High Pressure Sodium Floodlight | | |
| Lumen | Watts | kWh | Monthly Rate |
| 22,000 | 200 | 86 | \$15.55 |
| 50,000 | 400 | 167 | \$17.83 |

| Rate District | West Penn | | |
|---------------|-------------------------|-----|--------------|
| Lamp Type | Metal Halide Floodlight | | |
| Lumen | Watts | kWh | Monthly Rate |
| 36,000 | 400 | 157 | \$16.99 |
| 90,000 | 1,000 | 379 | \$26.69 |

SERVICES, SCHEDULE 59 (continued)

UNDERGROUND SERVICE

| | | | |
|---------------|--|-----|--------------|
| Rate District | West Penn | | |
| Lamp Type | High Pressure Sodium - Colonial Post Top Luminaire 14' Mounting Height | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$20.70 |

| | | | |
|---------------|--|-----|--------------|
| Rate District | West Penn | | |
| Lamp Type | Metal Halide - Colonial Post Top Luminaire 14' Mounting Height | | |
| Lumen | Watts | kWh | Monthly Rate |
| 11,600 | 175 | 74 | \$23.87 |

| | | | |
|---------------|---|-----|--------------|
| Rate District | West Penn | | |
| Lamp Type | Metal Halide - Horizontal Luminaire (Cobra Head) 30' Mounting Height, Single Luminaire Per Pole | | |
| Lumen | Watts | kWh | Monthly Rate |
| 90,000 | 1,000 | 379 | \$50.57 |

| | | | |
|---------------|---|-----|--------------|
| Rate District | West Penn | | |
| Lamp Type | High Pressure Sodium - Rectangular Luminaire (Shoe Box) 30' Mounting Height, Single Luminaire Per Pole, no base | | |
| Lumen | Watts | kWh | Monthly Rate |
| 9,500 | 100 | 51 | \$42.74 |

| | | | |
|---------------|---|-----|--------------|
| Rate District | West Penn | | |
| Lamp Type | Metal Halide - Rectangular Luminaire (Shoe Box) 30' Mounting Height, Single Luminaire Per Pole, no base | | |
| Lumen | Watts | kWh | Monthly Rate |
| 36,000 | 400 | 157 | \$40.02 |

Note: The rating of the lamps in lumens is for identification and shall approximate the manufacturer's standard rating.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

TERM:

Short Term Service having an initial term of thirty (30) days is available if the Customer makes an initial payment of the cost of installation, and removal of the luminaire and bracket in addition to any other payments required under "CONDITIONS" below. This initial payment shall be refundable, with interest, if the lighting system remains in service for five years. After the initial term, the Agreement shall remain in effect until canceled by either party with not less than thirty (30) days prior written notice of cancellation.

Long Term Service having an initial term of ten (10) years is available and monthly rate as set forth in this schedule shall be reduced by fifty cents per lamp. After the initial term, the Agreement shall remain in effect until canceled by either party with not less than ninety (90) days prior written notice of cancellation. Municipal lighting service is typically provided under long term agreement for initial and supplemental installation.

SERVICES, SCHEDULE 59 (continued)

CONDITIONS:

STANDARD SYSTEM

Overhead Service

Facilities shall consist of:

1. Standard overhead, horizontal luminaire (cobra head) and photoelectric control mounted on a luminaire bracket.
2. Standard vertical open lens luminaire ("OL") and photoelectric control mounted on a luminaire bracket.
3. Standard floodlighting luminaire with photoelectric control and an adjustable mounting bracket.

Luminaire is mounted on an existing Company-owned or approved pole or other mutually agreeable location.

Underground Service

Facilities shall consist of:

1. Standard colonial post top luminaire, a photoelectric control and a direct buried fiberglass pole approximately 14 feet in height
2. Standard overhead, horizontal roadway luminaire (cobra head), a photoelectric control and a direct buried fiberglass pole approximately 30 feet in height.
3. Standard rectangular enclosed luminaire, a photoelectric control and a square steel pole approximately 30 feet in height mounted on a non-concrete power installed foundation.
4. Standard rectangular enclosed area (galleria) luminaire, a photoelectric control and a square steel pole approximately 40 feet in height. The base foundation is normally provided by the Customer.

When required, the Customer is responsible for the costs associated with furnishing and installing any concrete bases for poles.

Underground service will be installed where service is supplied from an existing underground distribution system. Where the point of connection for secondary service to the luminaire is not located within three feet of the pole, Customer shall pay the Company's installed cost and be responsible for the Company's maintenance cost of any extra facilities required to provide underground secondary service.

The Customer shall pay for or, at the option of the Company, provide any conduit, excavating, backfilling, reconstructing and resurfacing necessary for the installation and maintenance of the underground cable.

SERVICES, SCHEDULE 59 (continued)

GENERAL:

All costs described in this schedule are actual costs or, where applicable, estimates based on standard engineering practice.

The installed cost, of any facilities required to extend service and the cost of rearranging facilities necessary to serve luminaires or to obtain required mounting height is paid by Customer. Payment plans can be arranged with Company.

In the event of early termination for any reason, prior to expiration of the initial term of the agreement, Customer shall pay either the balance of the agreement responsibility or the cost of installation and removal of equipment, whichever is less. Any remaining balance due for extra facilities, rearranging of facilities or other additional installed costs which were separately billed over the term of the agreement shall also become immediately due and payable.

All Customer charges are subject to any applicable local, state and federal taxes.

Company shall not be liable for damages to the Customer for any failure in any lighting system which results from any cause beyond the Company's control.

Company Responsibilities

Company will, at its own cost, install, and maintain its standard outdoor lighting equipment. Energy is supplied by Customer's metered service.

Company will replace burned-out lamps and otherwise maintain the equipment during regular daytime working hours as soon as practicable following notification by Customer.

Company shall furnish luminaires at additional locations in accordance with Company practices upon the written order of Customer; Company shall increase size of any luminaire in the same Rate Schedule upon written order of Customer.

Company shall change the location of any luminaire furnished under Agreement, upon written order of Customer if said change does not require the extension of lines or the erection of poles, but Company shall not be required to make more than one change in the location of any one luminaire during term Agreement is in effect.

Customer Responsibilities

Customer shall provide to Company free of cost and with free access, a satisfactory right-of-way and location for Company's facilities necessary to supply service on premises controlled by Customer. Facilities provided at Company's expense shall remain Company property.

SERVICES, SCHEDULE 59 (continued)

Customer shall be responsible for selecting the lamp size and location of the luminaire which shall be in conformance with applicable safety standards and governmental regulations. Customer shall obtain appropriate approval for luminaires to be located on public thoroughfares.

Customer shall be responsible for reporting non-operating lighting systems to the Company.

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

Municipal Installations

Municipal Customer shall furnish Company a certified map, showing the location and size of each luminaire included in the initial installation provided for in the agreement. Company shall install said luminaire as designated. Upon prior arrangement, Company will prepare a map for Customers approval for an additional cost.

SPECIAL SYSTEMS:

GENERAL

Company will provide non-standard underground, ornamental and other special lighting systems when the additional installed cost in excess of the estimated cost of a standard lighting system for the same application is paid by Customer. In this case, Customer shall pay the standard service rate. Company shall take title to the special system and shall operate and maintain the facilities. Customer shall be responsible for all damages to or loss of special lighting system unless due to the negligence of the Company.

The additional installed cost of a special lighting system in excess of the estimated cost of a standard lighting system is paid by Customer. Payment plans can be arranged with Company.

In the event of early termination for any reason, prior to expiration of the initial term of the agreement, Customer shall pay either the balance of the agreement responsibility or the cost of installation and removal of equipment, whichever is less. Any remaining balance due for extra facilities, rearranging of facilities or other additional installed costs which were separately billed over the term of the agreement shall also become immediately due and payable.

The Company shall have the sole, complete and final authority to determine the operating lifetime, or remaining operating lifetime, of the special lighting system or any of its component parts. The operating lifetime of the special lighting system shall not be less than twenty (20) years from the date of installation. Upon the determination of the Company that the operating lifetime of the special lighting system or any of its component parts has expired, the Company shall give written notice of the same to the Customer. Upon receipt of such written notification, Customer shall elect either to replace or to de-energize the special lighting system or its applicable component part. Customer shall give written notice of such election to the Company.

SERVICES, SCHEDULE 59 (continued)

In the event Customer elects to replace the special lighting system or any component part thereof, Customer shall pay the Company the additional installed cost of the replacement system or component part thereof plus removal cost of the existing system. The additional installed cost of the system or component part thereof is defined as the total cost of the system or component part thereof as installed less the installed cost of the standard luminaires and brackets which would have been required had the system been the Company's standard lighting system.

If the Customer elects to de-energize the special lighting system and/or component part thereof, the Company shall de-energize the same. Upon the written request of the Customer, Company shall remove the de-energized system or component part thereof. Such removal shall be at the Customer's expense.

In the event Customer does not give Company written notice of its election within six (6) months after notification by the Company, the Company shall de-energize the special lighting system or its applicable component part. Upon Customer's written request, Company shall remove the de-energized system or component part thereof. Such removal shall be at Customer's expense.

COMPANY RESPONSIBILITIES

At the termination, for any reason, of the useful life of the special lighting system or designated components of the special lighting system, a new system or component shall be installed under similar Agreement conditions.

Company shall change the location of any special lighting system upon the written request of the Customer. Customer shall pay the Company the total relocation cost of the same.

CUSTOMER RESPONSIBILITIES

Customer shall be responsible for all costs and expenses of trenching, backfilling all trenches and for repaving, repairing or replacing any roadways, walkways, vegetation or other physical objects damaged, destroyed or displaced by construction necessary for the installation and maintenance of the special lighting system or any of its component parts.

Customer shall reimburse the Company for total costs, less cost of standard luminaire and bracket, incurred by the Company as a result of any damage, destruction or cost of repairs to the system or any component part thereof from any cause, excepting Company's negligence. However, in the event that the lighting system or any component part thereof, excluding luminaire and bracket, is damaged or destroyed by the negligent or willful acts of third parties, prior to billing Customer for the items so damaged or destroyed Company shall first reasonably attempt to collect the costs of replacements or repair from the third party responsible and shall certify to the Customer that such attempts have been made and that the said third party has not paid for such damages or destruction and is not likely to respond with such payment in a reasonable manner. This provision is not intended to compel the Company to enter legal action against the third party responsible prior to billing Customer, determination as to such procedure being within the sole determination of the Company.

SERVICES, SCHEDULE 59 (continued)

CONTRACT:

Company standard form of Outdoor Lighting Agreement shall be executed, when appropriate, along with applicable map showing location and size of all luminaires.

SERVICES

**SCHEDULE 71
MERCURY VAPOR STREET AND HIGHWAY LIGHTING SERVICE**

AVAILABILITY:

West Penn

Available only to present Customers for installations now being served prior to August 26, 1978. This Schedule applies to lighting service sold for the lighting of public streets, public highways, and other public outdoor areas in municipalities, governmental units, and unincorporated communities where such service can be supplied from the existing general distribution system.

This Schedule is also applicable within private property which is open to the general public such as private walkways, streets, and roads when the property and buildings are under common ownership and when supply from the Company's distribution system is directly available and when lighting service is contracted for by the owner thereof.

GENERAL MONTHLY CHARGES:

Distribution Charge

Underground Supply Metal Pole:

Low Mounting

| Rate District | West Penn | | |
|---------------|-----------|-----|--------------|
| Lumen | Watts | kWh | Monthly Rate |
| 4,000 | 100 | 45 | \$13.79 |
| 8,150 | 175 | 74 | \$16.56 |

All lamps are lighted from dusk to dawn every night or for approximately 4,200 hours per annum.

RIDERS:

The Riders included in this Tariff that apply to this Rate are listed in the Rider Matrix on page 175.

DEFAULT SERVICE CHARGES:

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

SERVICES, SCHEDULE 71 (continued)

COMPENSATING FOR TRANSMISSION AND DISTRIBUTION LOSSES:

Multiplying Customer's calculated on peak lighting energy by 1.09333 and calculated offpeak lighting energy by 1.04808 produces the generation energy that must be delivered to the system within the West Penn Rate District.

TERM:

Ten years initially, renewable annually thereafter.

CONDITIONS:

Service supplied is subject to the Rules and Regulations Covering the Supply of Electric Service of the Company as filed with the Commission.

The rating of lamps in lumens is for identification and shall approximate the manufacturer's standard rating.

When lighting equipment is replaced or relocated at the Customer's request before the end of the term of the Agreement with equipment of like or lesser lumen output, the Customer shall pay the removal costs for the old facilities and the installation costs of the new facilities.

When the Company supplies service for underground installations, the Customer shall pay for, or at the option of the Company, supply:

- (a) The cost for any excavating, backfilling, reconstructing, and resurfacing necessary for the installation and maintenance of the underground cable.
- (b) All labor and material for the installation of any concrete bases for poles.

When a new street lighting distribution system is required or whenever a Customer requests an installation that is not in conformity with the standard installation, the Customer shall pay the following:

- (a) For distribution facilities -- estimated installed cost of distribution facilities in excess of those normally supplied by the Company to make service available.
- (b) For street light equipment -- Company's excess investment in special poles or fixtures over that of standard equipment with the maintenance of the special equipment subject to
 - (1) time and ability to obtain replacement, and
 - (2) advance payment of the then excess cost over standard for each replacement.
- (c) Lighting for bridges, subways, and all other nonstandard installations -- the Company will supply poles, fixtures, and circuit with the Customer supplying conduit, raceways, and other necessary equipment including maintenance thereof.

RIDER MATRIX

| Rate District | Rates and Services | STAS | TCJA | USC | EE&C-C | SMT | DSS | SPRVC | DSIC |
|---------------|--|------|------|-----|--------|-----|-----|-------|------|
| ME | RS, GS-V | X | X | X | X | X | X | X | X |
| ME | GS-S, GS-M, GS-L, GP, MS | X | X | | X | X | X | X | X |
| ME | TP | X | X | | X | X | X | X | |
| ME | BL | X | X | | | | X | X | X |
| ME | SL, O-SL, LED-SL, OALS | X | X | | X | | X | X | X |
| PN | RS, GS-V | X | X | X | X | X | X | X | X |
| PN | GS-S, GS-M, GS-L, GP, TP, H | X | X | | X | X | X | X | X |
| PN | BL | X | X | | | | X | X | X |
| PN | HPS-SL, M-SL, LED-SL, OALS | X | X | | X | | X | X | X |
| PP | RS, GS-V | X | X | X | X | X | X | X | X |
| PP | GS-S, GS-M, GS-L, GP, TP, PNP | X | X | | X | X | X | X | X |
| PP | PLS, SV, SVD, LED | X | X | | X | | X | X | X |
| WP | RS, GS-V | X | X | X | X | X | X | | X |
| WP | GS-S, GS-M, GS-L, GP, TP | X | X | | X | X | X | | X |
| WP | 44, 46 | X | X | | X | X | X | | |
| WP | 51, 52, 53, 54, 55, 56, 57, 58, 71, LED-SL | X | X | | X | | X | | X |
| WP | 59 | X | | | | | | | |
| PSU | GP | X | X | | X | X | X | | |

Rider Titles

- STAS State Tax Adjustment Surcharge Rider
- TCJA Tax Cuts and Jobs Act Voluntary Surcharge Rider
- USC Universal Service Cost Rider
- EE&C-C Energy Efficiency and Conservation Charge Rider
- SMT Smart Meter Technologies Charge Rider
- DSS Default Service Support Rider
- SPVRC Solar Photovoltaic Requirements Charge Rider
- DSIC Distribution System Improvement Charge

STATE TAX ADJUSTMENT SURCHARGE RIDER

After the addition of the charges provided in other applicable Riders, a State Tax Adjustment Surcharge (“STAS”) as outlined below shall be applied effective for service rendered on and after May 3, 2015 in addition to all other billings calculated under the provisions of this Tariff.

| | | | | | |
|---------------|--------|---------|------------|-----------|-------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
| Surcharge | x.xx% | x.xx% | x.xx% | x.xx% | x.xx% |

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

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

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

TAX CUTS AND JOBS ACT VOLUNTARY SURCHARGE RIDER

To implement the effects of the Tax Cuts and Jobs Act (“TCJA”), on March 15, 2018 the Pennsylvania Public Utility Commission (“Commission”) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the Companies to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish rates as follows:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
|---------------|---------|---------|------------|-----------|---------|
| Surcharge | -XX.XX% | -XX.XX% | -XX.XX% | -XX.XX% | -XX.XX% |

A negative surcharge will apply as a credit for intrastate service to all customer bills rendered on and after Month xx, 20xx. This negative surcharge will apply equally to all customers in the Residential Customer Class, the Commercial Customer Class and the Industrial Customer Class, exclusive of STAS and all automatic adjustment clause rider revenues.

The negative surcharge will be reconciled at the end of each calendar year and will remain in place until the Company files and the Commission approves new base rates for the Company pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.

The Tax Cuts and Jobs Act Voluntary Surcharge (“TCJAVSC”) shall be calculated in accordance with the formula set forth below:

$$\frac{\text{TCJAVSC} = (\text{TS} - \text{E})}{\text{Distribution Revenues}}$$

Where:

TS = The estimated current tax savings for the Companies, resulting from all changes in corporate taxes resulting from the TCJA compared to taxes that would have been accrued absent TCJA, based on the Company’s most current budget for the Computational Period. Calculated consistent with Appendix A, attached to the Commission’s Order at Docket No. R- 2018-3000597.

E = The over or under-refunding of the TCJAVSC that result from the billing of the TCJVSC during the Reconciliation Period, with interest. The reconciliation report showing the actual amounts of over refund / (under refund) shall be filed with the Commission 120 days after the end of the Reconciliation Year and included in the following calendar year’s TCJAVSC (an over refund is denoted by a positive E and an under refund is denoted by a negative E). Interest shall be computed monthly for the over or under refund at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§101, et seq.).

TAX CUTS AND JOBS ACT VOLUNTARY SURCHARGE RIDER (continued)

Distribution = All billed Customer Charge, distribution kWh energy charge, distribution kW Revenues demand charge, distribution kVA charge, distribution kW voltage discount, kW transformer charge, and monthly per unit charge for lighting rate schedules that are applicable and billed to Customers.

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

1. TCJAVSC Initial Computational Period – the 6-month period from July 1, 2018 through December 31, 2018.
2. TCJAVSC Initial Reconciliation Period – the 6-month period from July 1, 2018 through December 31, 2018.
3. TCJAVSC Computational Period – The 12-month period from January 1 through December 31 of each year following the Initial Computational Period.
4. TCJAVSC Reconciliation Period – The 12-month period from January 1 to December 31.

The TCJAVSC shall be filed with the Commission by December 1 of each year. The TCJAVSC shall become effective the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year. Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Voluntary Surcharge.

This TCJA Voluntary Surcharge will expire on a bills-rendered basis when new Commission approved base rates will be implemented, on a service rendered basis.

If there is a change in the federal tax law that impacts the Company's tax position before the application of new base rates, a modification to this Rider shall be completed.

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

UNIVERSAL SERVICE COST RIDER

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

For service rendered Month X, XXXX through Month XX, XXXX the USC shall be equal to the charge below for all kWh. The USC shall be included in the distribution charges of the monthly bill.

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|---------------|------------------------|------------------------|------------------------|------------------------|
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

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

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

Where:

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

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

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

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

UNIVERSAL SERVICE COST RIDER (continued)

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

In the event that the average annual CAP participation in the preceding USC Reconciliation Year exceeded ME: 16,700 participants, PN: 23,200 participants, PP: 5,000 participants and WP: 23,300 participants, actual costs recovered through the USC Rider shall reflect CAP Credits and actual Pre-Program Arrearage Forgiveness Credits for all customers up to the ME: 16,700, PN: 23,200, PP: 5,000 and WP: 23,300 participation levels. The Company shall offset the average annual CAP Credits and Pre-Program Arrearage Forgiveness Credits by ME: 15%, PN: 14.7%, PP: 14.3% and WP: 13.5% per participant for the preceding USC Reconciliation Year for any and all CAP customers exceeding the ME: 16,700, PN: 23,200, PP: 5,000 and WP: 23,300 participation levels.

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

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

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

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

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

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

NET METERING RIDER

PURPOSE:

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

APPLICABILITY:

This Rider applies to renewable customer-generators served under Rate Schedules 44, 46, RS, GS-V, GS-Small, GS-Medium, GS-Large, GP(exclude PSU Rate District), TP, MS and H who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources pursuant to Alternative Energy Portfolio Standards Act No. 2004-213 (Act 213) or Commission regulations and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity. A renewable customer-generator is a non-utility owner or operator of a net metered generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service (Rate RS) or not larger than 3,000 kilowatts at other customer service locations (44, 46, GS-V, GS-Small, GS-Medium, GS-Large, GP, TP, MS and H), except for Customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the Company during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the purpose of maintaining critical infrastructure such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

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

NET METERING RIDER (continued)

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

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule 44, 46, RS, GS-V, GS-Small, GS-Medium, GS-Large, GP, TP, MS and H.

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

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

NET METERING RIDER (continued)

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

BILLING PROVISIONS:

The following billing provisions apply to customer-generators in conjunction with service under applicable Rate Schedule 44, 46, RS, GS-V, GS-Small, GS-Medium, GS-Large, GP, TP, MS and H.

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

NET METERING RIDER (continued)

3. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the distribution system, then through the remaining meters for the customer-generator's account equally at each meter's designated rate. Virtual meter aggregation is the combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the Company's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. The customer-generators are responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.
4. If a net metering Customer served on Rate 44, 46, GS-V, GS-Small, GS-Medium, GS-Large, GP, TP, MS and H, generates electricity such that the self-generation results in a 10% or more reduction in the customer's purchase of electricity through the Company's transmission and distribution network for any calendar year when compared to the calendar year immediately prior to the installation of the generation, the net metering Customer shall be responsible for its share of stranded costs to prevent interclass or intraclass cost shifting.

APPLICATION:

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

NET METERING RIDER (continued)

MINIMUM CHARGE:

The Minimum Charges under Rate Schedule 44, 46, RS, GS-V, GS-Small, GS-Medium, GS-Large, GP, TP, MS and H apply for installations under this Rider.

RIDERS:

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

EMERGENCY ENERGY CONSERVATION RIDER

PURPOSE:

This Rider is applicable to Customers in conjunction with Tariff Rule 18, relating to Load Control. It provides for deviation from and modifications to the charges and practices otherwise applicable to certain Customers as a result of compliance with or non-compliance with emergency energy conservation levels ordered under conditions resulting from actual or potential shortage of fuel for electric generation.

APPLICABILITY:

Met-Ed and Penelec

Applicable to individual electric Customer accounts served under Rate Schedules GP, and TP with measured demand of 2,000 kW or higher, in a recent twelve (12) month period prior to the order for emergency energy conservation. Customers designated by the provisions of Tariff Rule 19 and by the Pennsylvania Public Utility Commission will be exempt from the Provisions of this Rider.

PROVISIONS:

Base period energy use - The base energy use for a weekly period shall be determined by the Company for each applicable electric Customer account based upon a consideration of the Customer's actual past or current electric consumption and the Customer's existing operations.

Energy use level target - The energy use level target for each applicable Customer shall be that percentage of base period energy use ordered pursuant to the emergency energy conservation procedures provided by Tariff Rule 19 or other percentage as result of the order of appropriate governmental authority.

Current energy use - Current period use will be monitored on a weekly basis commencing no later than seventy-two (72) hours after the emergency is declared.

Compliance - When the energy consumption in any weekly period during the period of the emergency energy conservation condition is equal to or less than the energy use level target, the Customer will be deemed to have complied.

EMERGENCY ENERGY CONSERVATION RIDER (continued)

Non-compliance - When the energy consumption in any weekly period during the period of emergency energy conservation condition exceeds the energy use target level, the Customer will be deemed in non-compliance.

In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

BILLING:

During the period of emergency energy conservation condition, billing will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and historical or contract demand or ratchet provisions and will be billed instead on the basis of current consumption and demand whenever the normal calculation method would produce a greater bill.

These Customers will be individually notified of this special billing provision prior to the implementation of the emergency energy conservation procedure.

ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase IV EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff, with the exception of those served under Borderline Service rates.

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

For service rendered Month xx, xxxx through Month xx, xxxx, the Phase IV EE&C-C rates billed by Customer Class are as follows:

| Met-Ed | | | | |
|----------------|---------------------|---|--|---------------------|
| Customer Class | Residential | Commercial | Street Lighting | Industrial |
| Rate Schedule | RS | GS-V, GS-S, GS-M, MS, Outdoor Area Lighting Service | Street Lighting Service (SLS), Ornamental SLS, LED SLS | GS-L, GP, TP |
| Charge | x.xxx cents per kWh | x.xxx cents per kWh | x.xxx cents per kWh | \$(x.xx) per kW PLC |

| Penelec | | | | |
|----------------|---------------------|--|---------------------------------|-------------------|
| Customer Class | Residential | Commercial | Street Lighting | Industrial |
| Rate Schedule | RS | GS-V, GS-S, GS-M, H, Outdoor Area Lighting Service | HPS SLS, Municipal SLS, LED SLS | GS-L, GP, TP |
| Charge | x.xxx cents per kWh | x.xxx cents per kWh | x.xxx cents per kWh | \$x.xx per kW PLC |

| Penn Power | | | | |
|----------------|---------------------|---------------------------------|-----------------------|-------------------|
| Customer Class | Residential | Commercial | Street Lighting | Industrial |
| Rate Schedule | RS | GS, GS-GSDS, GM, PLS, GS-V, PNP | SV, SVD, LED | GS-L, GP, TP |
| Charge | x.xxx cents per kWh | x.xxx cents per kWh | (x.xxx) cents per kWh | \$x.xx per kW PLC |

| West Penn | | | | |
|----------------|---------------------|---------------------|---------------------|----------------------|
| Customer Class | Residential | Commercial | Street Lighting | Industrial |
| Rate Schedule | RS | GS-V, GS-S, GS-M | 51:58, 71, 72 | GS-L, GP, TP, 44, 46 |
| Charge | x.xxx cents per kWh | x.xxx cents per kWh | x.xxx cents per kWh | \$x.xx per kW PLC |

| PSU | | | | |
|----------------|-------------------|--|--|--|
| Customer Class | Industrial | | | |
| Rate Schedule | GP | | | |
| Charge | \$x.xx per kW PLC | | | |

ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER (continued)

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

$$EE\&C-C = \{ [EEC_C - (E + PJM) - E^2] / S \} \times [1 / (1 - T)]$$

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

Where:

- EE&C-C = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.
- EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the EE&C-C Computational Period calculated in accordance with the formula shown above.
- EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. The direct costs associated with specific programs are charged to the specific programs. EEC_{Exp1} costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C programs for the Phase IV EE&C-C Computational Period. Such indirect cost shall be allocated to each customer class based on the ratio of class-specific approved budgeted administrative program costs to total plan-specific approved budgeted administrative program costs.
- EEC_{Exp2} = Incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. The direct incremental administrative start-up costs associated with specific programs are charged to the specific programs. EEC_{Exp2} costs also include an allocated portion of any indirect incremental administrative start-up costs. Such indirect costs shall be allocated to each customer class based on the ratio of class-specific approved budget budgeted administrative program costs to total plan-specific approved budgeted administrative program cost.

ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER (continued)

- EEC_{Exp3} = An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Program costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- E = The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over-collection is denoted by a positive E and an under-collection by a negative E).
- PJM = A credit for any PJM Forward Capacity Market (FCM) revenues (net of costs associated with auction participation and including replacement capacity charges, capacity deficiency charges and any unavoidable PJM charges). The credit will be assigned to the specific customer class associated with the kW values of the EE&C programs and measures that cleared in the PJM FCM for each delivery period.
- E^2 = Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates through March 31, 2021 (an over-collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2021; expenses to finalize any contracts; other Phase III administrative obligations; and any remaining Phase III EE&C revenues after March 31, 2021.
- S = The Company's projected Billing Units (kWh sales delivered to all Customers in the specific customer class or kW PLC demand for the Industrial Customer Class).
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

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

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase IV EE&C-C Initial Reconciliation Period – June 1, 2021 through March 31, 2022 for the initial period of the rider.

ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER (continued)

3. Phase IV EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase IV EE&C- C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

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

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

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

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

SMART METER TECHNOLOGIES CHARGE RIDER

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

For service rendered on or after month xx, xxx the SMT-C rates billed by Customer Class are as follows:

| Met-Ed | | | |
|----------------|-----------------------|-----------------------|-----------------------|
| Customer Class | Residential | Commercial | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-M, MS | GS-L, GP, TP |
| Charge | \$(x.xx) per month | \$(x.xx) per month | \$(x.xx) per month |

| Penelec | | | |
|----------------|-----------------------|-----------------------|-----------------------|
| Customer Class | Residential | Commercial | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-M, H | GS-L, GP, TP |
| Charge | \$(x.xx) per month | \$(x.xx) per month | \$(x.xx) per month |

| Penn Power | | | |
|----------------|-----------------------|---------------------------------|-----------------------|
| Customer Class | Residential | Commercial | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-S (GSDS), GS-M, PNP | GS-L, GP, TP |
| Charge | \$(x.xx) per month | \$(x.xx) per month | \$(x.xx) per month |

| West Penn | | | |
|----------------|-----------------------|-----------------------|----------------------|
| Customer Class | Residential | Commercial | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-M | GS-L, GP, TP, 44, 46 |
| Charge | \$(x.xxxx) per kWh | \$(x.xx) per month | \$xx.xx per month |

| PSU | |
|----------------|----------------------|
| Customer Class | Industrial |
| Rate Schedule | GP |
| Charge | \$xx.xx per month |

SMART METER TECHNOLOGIES CHARGE RIDER (continued)

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

$$\text{Met-Ed, Penelec, \& Penn Power: SMT-C} = [((\text{SMT}_C - E) / \text{ACCC}) / 12] \times [1 / (1 - T)]$$

$$\text{West Penn \& PSU: SMT-C} = [((\text{SMT}_C - E) / \text{CCBD}) / 12] \times [1 / (1 - T)]$$

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

Where:

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

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

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

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

SMART METER TECHNOLOGIES CHARGE RIDER (continued)

- E = The over or under-collection of SMT costs by Customer Class that results from the billing of the SMT-C rates during the SMT Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded or the under-collection is recovered from Customers in the specific Customer Class. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is reconciled to the billed SMT-C rates during the SMT Reconciliation Year. Such reductions shall include any reductions in the Company's current meter and meter reading costs.
- ACCC = The Company's projected Average Customer Class Count for the specific Customer Class for the SMT-C Computational Year.
- CCBD = The Company's projected Customer Class Billing Determinants for the specific Customer Class for the SMT-C Computational Year. Billing determinants shall be kWh for the Residential Customer Class and average customer class count for the Commercial and Industrial Customer Classes.
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

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

1. SMT-C Computational Year – The 12-month period from January 1 through the following December 31 with the exception of the initial SMT-C Computational Year that will be the 5-month period from August 1, 2010 through December 31, 2010.
2. SMT-C Reconciliation Year – The 12-month period ending June 30 immediately preceding the SMT-C Computational Year.

SMART METER TECHNOLOGIES CHARGE RIDER (continued)

The initial SMT-C rates pursuant to this rider shall be effective August 1, 2010 through December 31, 2010. Subsequent SMT-C rates shall be filed with the Commission by August 1 of each year and the SMT-C rates shall become effective the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that the SMT-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred during the then-current SMT-C Computational Year, the Company may request that the Commission approve one or more interim revisions to the SMT-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

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

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

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

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

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

For service rendered Month xx, 20xx through Month xx, 20xx the PTC_{Default} rates billed by Customer Class are as follows:

| Met-Ed | | |
|----------------|-----------------------|---|
| Customer Class | Residential | Commercial |
| Rate Schedule | RS, GS-V | GS-S, GS-M (PTC), MS, Borderline Service, Street Lighting Service, LED Street Lighting Service, Ornamental Street Lighting and Outdoor Lighting Service |
| Charge | \$X.XXXXXX per kWh | \$X.XXXXXX per kWh |

| Penelec | | |
|----------------|-----------------------|--|
| Customer Class | Residential | Commercial |
| Rate Schedule | RS, GS-V | GS-S, GS-M (PTC), H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service and Outdoor Lighting Service |
| Charge | \$X.XXXXXX per kWh | \$X.XXXXXX per kWh |

| Penn Power | | |
|----------------|-----------------------|---|
| Customer Class | Residential | Commercial |
| Rate Schedule | RS, GS-V | GS-S, GS-M (PTC), PNP, PLS, SV, SVD, SM and LED |
| Charge | \$X.XXXXXX per kWh | \$X.XXXXXX per kWh |

| West Penn | | |
|----------------|-----------------------|------------------------------------|
| Customer Class | Residential | Commercial |
| Rate Schedule | RS, GS-V | GS-S, GS-M (PTC), 51-58, 71 and 72 |
| Charge | \$X.XXXXXX per kWh | \$X.XXXXXX per kWh |

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (continued)

The PTC_{Default} rates by Residential or Commercial Customer Class will be calculated semi-annually for the six-month period ending March 31st to be effective for the six-month period beginning June 1st and for the six-month period ending September 30th to be effective for the six-month period beginning December 1st. The PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

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

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

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

Where:

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

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

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined by Customer Class using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and any PJM charges related to the provision of Default Service.

PTC LOSS_{Current} = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

| Rate District | Met-Ed | | Penelec | | Penn Power | | West Penn | |
|----------------|--------|--------|---------|--------|------------|--------|-----------|--------|
| Customer Class | Res | Com | Res | Com | Res | Com | Res | Com |
| Loss Factor | 1.0515 | 1.0515 | 1.0573 | 1.0573 | 1.0661 | 1.0661 | 1.0910 | 1.0899 |

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

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (continued)

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

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

$DS_{Exp1} =$ An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027, including but not limited to:

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

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

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (continued)

- $DS_{Exp2} =$ The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class for the six-month period ending two months prior to the effective date, including but not limited to the following:
- Payments made to winning bidders.
 - Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in the Default Service Support Rider, and ancillary services associated with the acquisition of default service supply.
 - All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
 - An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
 - The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
 - The cost of credit when the Company is considered by PJM to be the load serving entity.
 - Any cost incurred by the Company associated with any Commission-approved solar power purchase agreements and the administration of the Company's long-term solar procurement, including the costs associated with spot purchases to satisfy a fixed quantity of default service load. These costs will be recovered from the customers in the applicable procurement classes receiving an allocation of the solar energy and/or the SPAECs procured.
- $PTC_{Rev} =$ The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed under the respective Customer Class $PTC_{Default}$ rates.
- $DS_{Int} =$ The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.
- $DS_{Sales} =$ The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the six-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect.

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (continued)

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

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

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

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

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules 44, 46, GS- M (HP), GS-Large, GP, TP or GS if such GS Customers also are under Special Rule GSDS who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS- S, and GS-M (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

Rate Schedule GS-S, GS-M (PTC) Customers electing service under this rider must have Smart Meter technology installed as part of the Company’s Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

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

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

HP Energy Charge per kWh:

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

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the “Real Time” PJM load-weighted average Locational Marginal Price for the Met-Ed, Penelec, ATSI (Penn Power), or APS (West Penn) Transmission Zone.

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

| Met-Ed | | | |
|--------------------------------|------------------|--------|--------|
| Rate Schedule | GS-S, GS-M, GS-L | GP | TP |
| HP _{Loss Multipliers} | 1.0515 | 1.0171 | 1.0007 |

HOURLY PRICING DEFAULT SERVICE RIDER (continued)

| Penelec | | | |
|---------------------|------------------|--------|--------|
| Rate Schedule | GS-S, GS-M, GS-L | GP | TP |
| HP Loss Multipliers | 1.0573 | 1.0234 | 1.0035 |

| Penn Power | | | |
|---------------------|------------------|--------|--------|
| Rate Schedule | GS-S, GS-M, GS-L | GP | TP |
| HP Loss Multipliers | 1.0515 | 1.0171 | 1.0007 |

| West Penn | | | |
|---------------------|------------|--------|----------------|
| Rate Schedule | GS-S, GS-M | GS-L | GP, TP, 44, 46 |
| HP Loss Multipliers | 1.0899 | 1.0678 | 1.0356 |

| PSU | |
|---------------------|--------|
| Rate Schedule | GP |
| HP Loss Multipliers | 1.0356 |

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

This represents the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers.

| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Charge | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh |

HP Administrative Charge:

This represents the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Charge | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh |

HP Uncollectibles Charge:

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

| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Charge | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh |

HOURLY PRICING DEFAULT SERVICE RIDER (continued)

HP Reconciliation Charge:

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

For service rendered Month xx, 20xx through Month xx, 20xx, the E_{HP} rate is as follows:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Charge | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh | \$x.xxxxx per kWh |

The E_{HP} rate will be calculated semi-annually for the six-month period ending March 31st to be effective for the six-month period beginning June 1st and for the six-month period ending September 30th to be effective for the six-month period beginning December 1st. The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = [(DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}] / DS_{HPSales}$$

Where:

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

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31st, 2023 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31st, 2027 including but not limited to:

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

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

HOURLY PRICING DEFAULT SERVICE RIDER (continued)

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date, including but not limited to the following:

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission charges identified in the Default Service Support Rider associated with the procurement of Hourly Pricing Default Service
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

PTC_{HPRev} = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable EHP rates.

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the six-month billing period that the EHP rate will be in effect.

HOURLY PRICING DEFAULT SERVICE RIDER (continued)

Gross Receipts Tax:

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

General:

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

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

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

DEFAULT SERVICE SUPPORT RIDER

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

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

| Rate District | Met-Ed | | | |
|----------------|---------------------|---------------------|---|---------------------|
| Customer Class | Residential | Commercial | | Industrial |
| Rate Schedule | RS, GS-V | GS-S | GS-M, MS, Outdoor Area Lighting Service, STLT, LED, BRD | GS-L, GP, TP |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | \$X.XXX per kW NSPL |

| Rate District | Penelec | | | |
|----------------|---------------------|--|--|-------------------|
| Customer Class | Residential | Commercial | | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-M, H, BRD, LED, Street Lighting, Municipal Street Lighting, Outdoor Area Lighting Service | | GS-L, GP, TP |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | | X.XXX per kW NSPL |

| Rate District | Penn Power | | | |
|----------------|---------------------|---------------------|----------------------------------|---------------------------|
| Customer Class | Residential | Commercial | | Industrial |
| Rate Schedule | RS, GS-V | GS-S | PNP, GS-M, PLS, SV, SVD, SM, LED | GS-L, GP, TP, GS-S (GSDS) |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | \$X.XXX per kW NSPL |

| Rate District | West Penn | | | |
|----------------|---------------------|---------------------------|--|----------------------|
| Customer Class | Residential | Commercial | | Industrial |
| Rate Schedule | RS, GS-V | GS-S, GS-M, 51-58, 71, 72 | | GS-L, GP, TP, 44, 46 |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | | X.XXX per kW NSPL |

| Rate District | PSU | | | |
|----------------|-------------------|--|--|--|
| Customer Class | Industrial | | | |
| Rate Schedule | GP | | | |
| Charge | X.XXX per kW NSPL | | | |

DEFAULT SERVICE SUPPORT RIDER (continued)

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

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

The components of the formula are defined below:

Default Service Related Uncollectibles:

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

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

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

| Customer Class | Residential | | | |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | \$0.232 cents per kWh | \$0.248 cents per kWh | \$0.161 cents per kWh | \$0.153 cents per kWh |

| Customer Class | Commercial | | | |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | \$0.017 cents per kWh | \$0.011 cents per kWh | \$0.008 cents per kWh | \$0.010 cents per kWh |

DEFAULT SERVICE SUPPORT RIDER (continued)

MTEP and MISO Exit Fees and PJM Integration Charges, Penn Power only:

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

Where:

MPI = The charge to be applied to each Delivery Service Customer served under this Tariff for the Midwest Independent System Operator (“MISO”) Transmission Expansion Plan (“MTEP”) charges and MISO and PJM charges associated with the transition from MISO to PJM approved by FERC.

MPI_{Exp1} = The Company’s cost of the MTEP charges assessed on the Company pursuant to the Open Access Transmission Tariff (“OATT”) of MISO.

MPI_{Exp2} = The Company’s (i) charges assessed under MISO’s OATT that are associated with the Company’s exit from the MISO control area and (ii) charges assessed under the PJM OATT that are associated with the Company’s integration into the PJM control area. All such MISO exit fees and PJM integration fees charges approved by FERC shall not exceed \$3.5 million, excluding carrying charges. The Company shall recover these charges plus applicable carrying charges over a minimum five year period.

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

S = The Company’s total DSS Sales to Delivery Service Customers projected for the DSS Computational Year.

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

| Rate District | Penn Power | | |
|-------------------|--------------------------|--------------------------|------------------------|
| Customer Class | Residential | Commercial | Industrial |
| Adjustment Factor | .4126 | .3101 | .2773 |
| Charge | 0.00000 cents per kWh | 0.00000 cents per kWh | \$0.000 per kW NSPL |

DEFAULT SERVICE SUPPORT RIDER (continued)

Customer Education Charges:

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

Where:

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

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

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

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

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

| Customer Class | Residential | | | |
|----------------|------------------------|------------------------|--------------------|--------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | 0.000 cents per kWh | 0.000 cents per kWh | 0.000cents per kWh | 0.000cents per kWh |

| Customer Class | Commercial | | | |
|----------------|--------------------|------------------------|--------------------|--------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | 0.000cents per kWh | 0.000 cents per kWh | 0.000cents per kWh | 0.000cents per kWh |

| Customer Class | Industrial | | | | |
|----------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
| Charge | \$0.000per kW NSPL | \$0.000 per kW NSPL | \$0.000 per kW NSPL | \$0.000 per kW NSPL | \$0.000 per kW NSPL |

DEFAULT SERVICE SUPPORT RIDER (continued)

Non-Market Based Services Transmission Charges:

$$NMB = (NMB_c - E) / S$$

Where:

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

NMB_c = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include FERC approved costs for (i) PJM Regional Transmission Expansion Plan charges; (ii) PJM Expansion Cost Recovery; (iii) PJM charges for Reliability Must Run generating unit declarations and charges associated with plants deactivated after July 24, 2014, the approval date of the Company's Default Service Program at Docket No.(ME) P-2013-2391368, (PN) P-2013-2391372, (PP) P-2013-2391375 and (WP) P-2013-2391378; (iv) historical tie line, generation, and retail customer meter adjustments; (v) Unaccounted for Energy; (vi) any FERC-approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009; and (vii) any other FERC-approved PJM transmission charges billed to the Company by PJM that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.

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

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

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

| Customer Class | Residential | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

| Customer Class | Commercial | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

| Customer Class | Industrial | | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn | PSU |
| Charge | \$X.XXX per kW NSPL | \$X.XXX per kW NSPL | \$X.XXX per kW NSPL | \$X.XXX per kW NSPL | \$X.XXX per kW NSPL |

DEFAULT SERVICE SUPPORT RIDER (continued)

Retail Enhancements:

$$RE = (RE_C - E) / S$$

Where:

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

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

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

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

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

| Customer Class | Residential | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

| Customer Class | Commercial | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

DEFAULT SERVICE SUPPORT RIDER (continued)

Clawback Charge Credit:

$$CB = CB_c / S$$

Where:

CB = The credit to be applied to Delivery Service Customers related to the clawback provision, under the Default Service Program, which is collected by the Company from Electric Generation Suppliers. This credit will be amortized for each applicable DSS Computational Year.

CB_c = Clawback credits applied to each Customer Class eligible for the Company's POR to refund the clawback charges collected from Electric Generation Suppliers. The clawback charges are returned to customers when the Company's actual uncollectible expense was less than the amount of uncollectible expense recovered in base rates and the Default-Service Related Uncollectibles component of this Rider. CB will be applied to each Customer Class eligible for the Company's POR based upon each Customer Class's kWh.

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

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

| Customer Class | Residential | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

| Customer Class | Commercial | | | |
|----------------|------------------------|------------------------|------------------------|------------------------|
| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

DEFAULT SERVICE SUPPORT RIDER (continued)

Gross Receipts Tax:

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

Other Information:

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

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

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

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

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

TIME-OF-USE DEFAULT SERVICE RIDER

Availability:

Time-Of-Use (“TOU”) default service (“TOU_{Default}”) is available under this Rider for Residential Customers, and Commercial Customers with demand less than 100 kW, including those served under the Net Metering Rider, and are receiving Default Service from the Company, upon the terms and conditions set forth herein, that: (1) have had smart meters installed pursuant to the Company’s Smart Meter Technology Procurement and Installation Plan; (2) are not enrolled in the Company’s Customer Assistance Program; (3) are not enrolled in budget billing; (4) are not involved in virtual net metering; (5) have not elected to terminate service under the TOU Default Service Rider, for any reason, within the last 12 months; and (6) affirmatively elect to receive service under this Rider and comply with its enrollment procedures.

Rates:

| Met-Ed | | |
|---------------------|--------------------------------------|--------------------------------------|
| Customer Class | Residential | Commercial |
| On Peak Rate | PTC _{Default} Rate x 2.0180 | PTC _{Default} Rate x 2.0558 |
| Off Peak Rate | PTC _{Default} Rate x 0.7285 | PTC _{Default} Rate x 0.7277 |
| Super Off-Peak Rate | PTC _{Default} Rate x 0.5438 | PTC _{Default} Rate x 0.5298 |

| Penelec | | |
|---------------------|--------------------------------------|--------------------------------------|
| Customer Class | Residential | Commercial |
| On Peak Rate | PTC _{Default} Rate x 1.9367 | PTC _{Default} Rate x 1.9352 |
| Off Peak Rate | PTC _{Default} Rate x 0.7633 | PTC _{Default} Rate x 0.7686 |
| Super Off-Peak Rate | PTC _{Default} Rate x 0.5669 | PTC _{Default} Rate x 0.5582 |

| Penn Power | | |
|---------------------|--------------------------------------|--------------------------------------|
| Customer Class | Residential | Commercial |
| On Peak Rate | PTC _{Default} Rate x 2.0140 | PTC _{Default} Rate x 2.0271 |
| Off Peak Rate | PTC _{Default} Rate x 0.7377 | PTC _{Default} Rate x 0.7409 |
| Super Off-Peak Rate | PTC _{Default} Rate x 0.5331 | PTC _{Default} Rate x 0.5202 |

| West Penn | | |
|---------------------|--------------------------------------|--------------------------------------|
| Customer Class | Residential | Commercial |
| On Peak Rate | PTC _{Default} Rate x 1.8632 | PTC _{Default} Rate x 1.9416 |
| Off Peak Rate | PTC _{Default} Rate x 0.7821 | PTC _{Default} Rate x 0.7870 |
| Super Off-Peak Rate | PTC _{Default} Rate x 0.5749 | PTC _{Default} Rate x 0.5663 |

Hours:

The rates for TOU default service are different for On-Peak, Off-Peak and Super Off-Peak hours during the year, and are billed on a service rendered basis, as shown below. All times listed below are prevailing time.

| TOU Pricing Period | Included Time Periods |
|--------------------|------------------------------|
| On-Peak | 2 PM - 9 PM Monday - Friday |
| Off-Peak | All Other Hours |
| Super Off Peak | 11 PM - 6 AM Monday - Friday |

TIME-OF-USE DEFAULT SERVICE RIDER (continued)

TOU_{Default}:

The TOU_{Default} rates by Residential or Commercial Customer Class are based on the PTC_{Default} rates, which will be calculated semi-annually for the six-month period ending March 31st to be effective for the six-month period beginning June 1st and for the six-month period ending September 30th to be effective for the six-month period beginning December 1st.

Customer Switching:

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS. Customers may leave the TOU Default Service Rider at any time without incurring fees or penalties. If a Customer elects to terminate service under the TOU Default Service Rider for any reason, the Customer cannot re-enroll in the TOU Default Service Rider for twelve billing months.

Annual Review and Audit:

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

PARTIAL SERVICES RIDER

AVAILABILITY/APPLICABILITY:

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

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

Penelec

For any Customer taking backup and maintenance service from the Company as of January 1, 2015, the following applies: Customers who take service at a voltage level less than 115,000 volts but are served directly from a 115,000 volt or greater source through a single transformation shall be billed by the Company for backup and maintenance service at the transmission voltage charges plus a monthly fee equal to 1% of the net book value in such facilities owned by the Company at such lower volts that are dedicated to providing service to such Customer.

GENERAL MONTHLY CHARGES:

An additional administrative fee per month, plus the charges listed below, depending upon the voltage at which the Customer is being served and the services (i.e., Backup Demand and/or Maintenance Demand) selected by the Customer:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|--------------------|---------|---------|------------|-----------|
| Administrative Fee | \$79.28 | \$86.43 | \$50.00 | \$86.43 |

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|----------------------|----------------------------|---------|------------|-----------|
| Distribution Charge | Backup Demand (Dollars/kW) | | | |
| Secondary Voltage | \$3.12 | \$5.01 | \$3.27 | \$2.99 |
| Primary Voltage | \$2.24 | \$2.60 | \$3.26 | \$0.44 |
| Transmission Voltage | \$0.16 | \$0.28 | \$0.27 | \$0.08 |

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|----------------------|---------------------------------|---------|------------|-----------|
| Distribution Charge | Maintenance Demand (Dollars/kW) | | | |
| Secondary Voltage | \$2.50 | \$4.01 | \$2.62 | \$2.39 |
| Primary Voltage | \$1.79 | \$2.08 | \$2.60 | \$0.37 |
| Transmission Voltage | \$0.13 | \$0.22 | \$0.22 | \$0.07 |

PARTIAL SERVICES RIDER (continued)

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

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

TERMS AND CONDITIONS:

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

PARTIAL SERVICES RIDER (continued)

GENERAL PROVISIONS:

A. BACKUP SERVICE:

1. Following the written request of the Customer indicating the amount of Backup Service required, the Company shall supply such service each month at the charges listed under General Monthly Charges.
2. During any billing period in which the Customer's generating equipment or other source of power experiences a forced or unscheduled outage which requires the Company to provide backup energy, the Customer shall be required to pay the Company for (i) the backup capacity at the charges listed in this Rider, General Monthly Charges, (ii) all capacity in excess of the specified capacity as Supplemental Service, (iii) all energy purchased at the charges and applicable riders set forth in the Rate Schedule that would otherwise apply to said Customer, and (iv) if actual capacity is greater than the backup capacity, a minimum bill will apply in the following months for demand determination. The minimum bill will apply even if the actual capacity is less than the backup capacity in any given month. The minimum bill will end after eleven (11) months or start over when the actual capacity is greater than backup capacity.
3. During any billing period in which the Company is not required to provide energy to "backup" the Customer's generating equipment or other source of power, the Customer shall pay to the Company the charges listed under General Monthly Charges for backup capacity.
4. Backup Service at the charges listed in this Rider, General Monthly Charges is limited to fifteen percent (15%) of the On-peak hours and fifteen percent (15%) of the Off-peak hours during any and all consecutive twelve-month billing periods. Backup Service beyond fifteen percent (15%) of the time during a particular consecutive twelve-month period shall be billed to the Customer by the Company as Supplement Service at the Rate Schedule that would otherwise apply to said Customer.
5. The Customer shall permit the Company to install metering on the customers generation at the customers expense (phone line) or the Customer is required to notify the Company of the failure of its generating equipment in order to invoke this Rider Paragraph A2 of the Backup Service provision. The Company shall not be required to rebill the Customer if the Company is not notified of the equipment failure prior to the Company's scheduled billing date of the Customer's account.
6. Backup Service Billing Demand shall be the Contract Demand for Backup Service.
7. The Backup Service Measured Demand shall equal the lesser of a) the difference between the generating capability of the Customer's generator less the actual amount generated in a fifteen (15) minute period as measured by Company's metering located on the Customer Generator, or as provided with documentation acceptable to the Company by the Customer, or b) the Backup Service Billing Demand.

PARTIAL SERVICES RIDER (continued)

B. MAINTENANCE SERVICE:

1. At the option of the Company, Customers may schedule their maintenance outages at any and all hours, during the periods from March 15 to May 31, September 15 to December 15, July 4 and Labor Day. Customers may also schedule their maintenance outages during Off-peak hours of the remainder of the year. For purposes of this Rider, On-peak shall be defined as 9 a.m. - 9 p.m. weekdays, with all Off-peak hours being all other hours.
2. Customers who schedule their maintenance outages as set forth in this Rider Paragraph B1 and who request maintenance service in accordance with this Rider Paragraph B7, shall be billed by the Company at the charges listed under General Monthly Charges for the additional demands created during the scheduled outage up to the amount of requested maintenance power. In addition, the Customer shall be billed by, and pay to, the Company normal monthly charges including, but not limited to, the Monthly Minimum Charges, Demand Charges, Backup and Energy Charges at the Rate Schedule(s) that would otherwise apply to said Customer.
3. The additional demands, subject to maintenance charges, created during the scheduled outage shall not exceed the specified Maintenance Service capacity. Maintenance Service at the charges listed under General Monthly Charges shall be limited to twenty-five percent (25%) of the time (i.e., hours) during any and all consecutive twelve (12) month periods. Maintenance Service beyond twenty-five percent (25%) of the time during a particular consecutive twelve (12) month period shall be billed by the Company at the Rate Schedule that would otherwise apply to said Customer.
4. When the Customer's scheduled maintenance outage of the generating facility cannot be scheduled in accordance with this Rider Paragraph B1, the demand established shall be subject to the charges and conditions set forth in the applicable Rate Schedule that would otherwise apply to said Customer.
5. The Company may, at its option, allow a Customer to extend the maintenance outages into On-peak periods provided that the length of extension into these periods does not exceed five (5) days. The demands established during these periods shall be billed by the Company at the charges specified in General Monthly Charges.
6. The Customer shall provide thirty (30) days written advance notice to the Company of a scheduled maintenance outage and specify the amount of maintenance power required. The Company shall make the Maintenance Service available within thirty (30) days before or after the Customer's requested maintenance outage.

PARTIAL SERVICES RIDER (continued)

7. Customers who wish to schedule their maintenance outages during periods other than those described in this Rider Paragraph B1, may at the sole and exclusive discretion of the Company, do so on an interruptible basis. The Company may request that a Customer interrupt their scheduled maintenance outage during periods of system constraint, system emergency, or during periods of high cost energy purchases. When the Customer requests a scheduled interruptible maintenance outage, a non-interruptible Maintenance Service requirement, not to exceed one percent (1%) of the requested maintenance capacity, shall be specified. When the Company requests a Maintenance Service interruption, the Customer shall reduce its Maintenance Service requirements to the pre-determined non-interruptible base level within thirty (30) minutes of notification by the Company. Failure to do so shall result in the Company issuing a bill to the Customer for the demand established during the requested interruption in excess of the non-interruptible base at the demand charges set forth in the Rate Schedule that would otherwise apply to said Customer. The Company shall notify the Customer when a particular Maintenance Service Interruption is terminated.

- C. Supplemental Service: All electric energy consumed in excess of Backup Service Measured Demand and or Maintenance Service Measured Demand shall be considered Supplemental Service. Supplemental Service shall be provided and billed under the rates, terms and conditions of the otherwise determined rate schedule including billing demand and minimum bill.

RIDERS:

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

**COGENERATION & SMALL POWER PRODUCTION QUALIFYING FACILITY SERVICE
RIDER**

(Applicable to All Service Classifications)

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

A. ENERGY PURCHASES BY COMPANY:

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

**COGENERATION & SMALL POWER PRODUCTION QUALIFYING FACILITY SERVICE
RIDER (continued)**

B. NET ENERGY BILLING POLICY:

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

C. INTERCONNECTION COSTS:

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

**COGENERATION & SMALL POWER PRODUCTION QUALIFYING FACILITY SERVICE
RIDER (continued)**

D. SAFETY AND RELIABILITY

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

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

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER

Met-Ed, Penelec and Penn Power

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

For service rendered Month X, XXXX through Month XX, XXXX, the SPVRC shall be equal to:

| Rate District | Met- Ed | Penelec | Penn Power |
|---------------|------------------------|------------------------|------------------------|
| Charge | X.XXX cents per kWh | X.XXX cents per kWh | X.XXX cents per kWh |

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

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

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

Where:

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

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

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

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

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER (continued)

$SPVRC_{Exp2}$ = Administrative costs projected for the SPVRC Computational Year associated with the competitive procurement process implemented to fulfill the Company's SPV obligations imposed by the AEPS Laws And Regulations. These administrative costs include, but are not limited to, consultant costs and other direct and indirect costs associated with the Company's administration of the competitive procurement process and compliance with the SPV obligations imposed by the AEPS Laws And Regulations.

$SPVRC_{Exp3}$ = Incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's compliance with the SPV obligations imposed by the AEPS Laws And Regulations, which shall be amortized over the twenty-four (24) month period ending May 31, 2015. These administrative costs include, but are not limited to, consultant costs and other direct and indirect costs associated with the Company's administration of the competitive procurement process and compliance with the SPV obligations imposed by the AEPS Laws And Regulations. Interest will be calculated monthly on the average of the beginning of the month and the end-of-month balances of these costs and included in the determination of the monthly amortized amount. The interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. § 202.

$SPVRC_{Exp4}$ = The net of: 1) proceeds resulting from the sale into the market of excess, unused SPAECs procured by the Company in the competitive procurement process; 2) the cost of any additional or supplemental SPAECs purchased by the Company in the market outside of the competitive bid process, as needed to meet its SPV obligations under the AEPS Laws And Regulations; and 3) the carrying cost of banked SPAECs, computed and compounded monthly at the legal rate determined pursuant to 41 P.S. § 202 based upon the cost to acquire the banked SPAECs.

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

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER (continued)

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

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

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

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

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER (continued)

Qualifications for exclusion from SPVRC for providing SPAECs to the Company from a Customer owned SPV generator:

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

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER (continued)

Penalty for non-compliance from Customers who qualify for the exclusion:

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

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

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

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

RENEWABLE ENERGY DEVELOPMENT RIDER

PURPOSE:

This Rider allows Customers to install and operate renewable energy generation.

APPLICABILITY:

Met-Ed and Penelec

This Rider applies to Customers in the Met-Ed and Penelec rate districts served under Rate Schedules RS, GS-Small and GS- Medium with single phase, secondary voltage service who install a device or devices not exceeding ten (10) kW which are, in the Company's sole judgment, a bona fide technology for use in generating electricity from qualifying renewable energy installations, and which will be operated in parallel with the Company's system. Qualifying renewable energy installations are limited to solar panels, wind, biomass, methane field and fuel cell generation. The Customer's equipment must conform to the Company's "Relay and Control Requirements for Parallel Operation of Nonutility Generation" and, as appropriate, IEEE Standard 929-1988 and UL Publication 1741 ("Power Conditioning Units for Use in Residential Photovoltaic Power Systems"). This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

The Company will modify its distribution facilities, as necessary, to interconnect with the Customer at a single point of delivery. For all modification, additions or facilities necessary to interconnect with the Customer at a single point, the Company will charge the Customer the cost of such modifications, additions or facilities in excess of One Thousand Dollars (\$1000). In addition, the Company will charge a processing fee for applications under this Rider of Three Hundred Dollars (\$300) for non-photovoltaic installations and a fee of One Hundred Dollars (\$100) for photovoltaic installations.

RENEWABLE ENERGY DEVELOPMENT RIDER (continued)

METERING AND BILLING PROVISIONS:

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, GS-Small or GS-Medium.

1. For Rate Schedule RS only, one non-detented, bi-directional meter may be installed. This meter will record the net energy sales to the Customer which will be billed under the applicable Rate Schedule. If the Customer's renewable energy installation generates more energy than the Customer uses in any billing month, the Company will not charge the Customer for any energy usage or pay the Customer for the excess energy delivered by the Customer to the Company.
2. Two (2) detented meters may be installed. One meter will measure the energy delivered by the Company to the Customer. The other meter will measure energy delivered to the Company by the Customer which is generated by the Customer's qualified renewable energy installation.
3. The Company may provide Qualified Meters on terms approved by the Commission.

Under Options 2 or 3 above, the Customer shall pay the Company for the amount of energy delivered by the Company to the Customer under the applicable Rate Schedule. The Company shall pay the Customer monthly for any energy delivered by the Customer to the Company at the Real Time Hourly LMP for the Met-Ed or the Penelec Zone, provided the Customer is authorized to sell energy to the Company under applicable law.

RENEWABLE ENERGY DEVELOPMENT RIDER (continued)

METERING CHARGE:

In addition to distribution facility and processing fees, the Customer shall compensate the Company for the estimated additional fully allocated cost of installing, maintaining and reading any additional or nonstandard metering required for installations under metering Option 3 of this Rider. There is no additional metering charge under metering Options 1 or 2. The sum of the meter readings from the two (2) meters in metering Options 2 and 3 will be used to calculate any applicable Transmission and Distribution Charges under the applicable Rate Schedule.

MINIMUM CHARGE:

The Minimum Charges under Rate Schedule RS, GS-Small, and GS-Medium apply for installations under this Rider.

RIDERS:

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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER

In addition to the net charges provided for in this Tariff, a charge of:

| Rate District | Met-Ed | Penelec | Penn Power | West Penn |
|---------------|--------|---------|------------|-----------|
| Net Charge | 0.00% | 0.00% | 0.00% | 0.00% |

will apply consistent with the Commission Orders dated June 9, 2016 and April 19, 2018, at Docket Nos. (ME) P-2015-2508942, (PN) P-2015-2508936, (PP) P-2015-2508931, and, (WP) P-2015-2508948 approving the Distribution System Improvement Charge (“DSIC”). This charge will be effective during the period Month xx, 20xx through Month xx, 20xx.

1. General Description

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

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

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

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

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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER (continued)

2. Computation of the DSIC

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

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

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

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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER (continued)

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

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

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

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.
- T = If applicable, Pennsylvania Gross Receipts Tax rate in effect during the billing month, expressed in decimal form.
- PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) are based on the summation of projected revenues for the applicable three-month period from applicable customers, excluding those customers listed in 4. Customer Safeguards E. below.

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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER (continued)

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.
4. Customer Safeguards
 - A. Cap: For Met-Ed, Penelec and West Penn, the DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
For Penn Power, consistent with the Commission Order at Docket No. P-2019-3012628, the DSIC is temporarily capped at 7.5% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
 - B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over collections will be refunded with interest. Interest on over collections and credits will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) and will be refunded in the same manner as an over collection. The Company is not permitted to accrue interest on under collections.
 - C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in rates or rate base will be reflected in the quarterly updates of the DSIC.
 - D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE RIDER (continued)

- E. Customer classes: Effective April 30, 2018, the DSIC shall be applied equally to all customer classes except as stated below
- ME: Rate Schedule TP served at Transmission Voltage.
 - PN: Rate Schedule GP over 46,000 volts and TP over 46,000 volts and Customers served under the Partial Service Rider and taking service at less than 115, 000 volts but served directly from the 115, 000 volts or greater line through a single transformation.
 - PP: Rate Schedule GS-S (GSDS) over 69,000 volts and Rate Schedule TP over 69,000 volts.
 - WP: Rate Schedule TP over 100,000 volts, and Rate Schedules 44 and 46.
- F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Utility would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.
- G. Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Company shall refund any over collection to Customers and is entitled to recover any under collections as set forth in Section 4B. Once the Company determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

Electric Generation Supplier Coordination Tariff

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

**2800 POTTSVILLE PIKE
READING, PENNSYLVANIA 19605**

Issued: XX XX, XXXX

Effective: XX XX, XXXX

Samuel L. Belcher, President

NOTICE

LIST OF MODIFICATIONS

TABLE OF CONTENTS

LIST OF MODIFICATIONS 2

HOW TO USE LOOSE-LEAF TARIFF 4

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS 5

RULES AND REGULATIONS 11

 1. THE TARIFF 11

 2. SCOPE AND PURPOSE OF TARIFF 12

 3. COMMENCEMENT OF EDC/EGS COORDINATION..... 13

 4. COORDINATION OBLIGATIONS 16

 5. DIRECT ACCESS PROCEDURES 20

 6. LOAD PROFILING AND FORECASTING 24

 7. ENERGY SCHEDULES AND USE OF SCHEDULING COORDINATORS 26

 8. SETTLEMENTS..... 27

 9. ALTERNATIVE ENERGY PORTFOLIO STANDARDS..... 28

 10. METERING..... 29

 11. CONFIDENTIALITY OF INFORMATION 31

 12. PAYMENT AND BILLING..... 32

 13. WITHDRAWAL BY EGS FROM RETAIL SERVICE 40

 14. EGS’S DISCONTINUANCE OF SERVICE TO PARTICULAR CUSTOMERS 41

 15. LIABILITY 42

 16. BREACH OF COORDINATION OBLIGATIONS..... 43

 17. TERMINATION OF INDIVIDUAL COORDINATION AGREEMENT..... 45

 18. ALTERNATIVE DISPUTE RESOLUTION 46

 19. MISCELLANEOUS 48

TECHNICAL SUPPORT AND ASSISTANCE CHARGE 50

COORDINATION AGREEMENT 51

APPENDIX A..... 56

HOW TO USE LOOSE-LEAF TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page," consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2," "Original Page No. 3," etc.
2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No....," the second time as "Second Revised Page No....," etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised....," "Second Revised....," etc.
5. On receipt of a revised page, it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

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

American Transmission Systems, Incorporated (“ATSI”) – American Transmission Systems, Incorporated (“ATSI”), First Energy Corp.’s wholly-owned transmission subsidiary.

Bad Credit – insolvency (liabilities exceeding assets or generally failing to pay debts as they become due, as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data) or failure to pay Company invoices when they become due on two (2) or more occasions within the last twelve (12) billing cycles.

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

Bill Ready – when an EGS that employs the Consolidated EDC Billing option calculates its Customer’s charges and provides the EDC the Customer’s EGS charges to be billed.

Business Day – Any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall open at 8:00 a.m. and close at 4:30 p.m. Eastern Prevailing Time.

Company – FirstEnergy Pennsylvania Electric Company

Competition Act - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

DEFINITIONS (continued)

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

Competitive Retail Electric Service – retail electric generation, aggregation, power marketing, and/or power brokerage services supplied to Customers of the Company by an EGS.

Consolidated EDC Billing – when the EDC bills both the EDC and EGS charges by issuing a single bill to a Customer.

Coordination Activities - all activities related to the provision of Coordination Services.

Coordination Agreement – an agreement between the Company and an EGS that arranges for the provision of Coordination Services.

Coordination Obligations - all obligations identified in this Tariff relating to the provision of Coordination Services.

Coordination Services - those services that permit the type of interface and coordination between EGSs and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the applicable Rate District including, but not limited to, provision of metering information to PJM. Coordination Services do not include Network Integration Transmission Service and ancillary services which are offered under the PJM Tariff.

Coordination Services Charges - all charges stated in the charges section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for Coordination Services performed hereunder.

Creditworthiness – payment of the Company’s charges in full and compliance with the Rules and Regulations of this Tariff or the PaPUC. To determine whether an EGS is creditworthy, the Company will evaluate the EGS’s record of paying Company charges and may also take into consideration the EGS’s credit history.

Customer - any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or an adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term includes a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location in the applicable Rate District.

Customer Referral Program – A program developed by the Company and approved by the Commission in Docket No. P-2011-2273650 (ME), Docket No. P-2011-2273668 (PN), Docket No. P-2011-2273669 (PP), Docket No. P-2011-2273670 (WP) to refer customers by an EDC to an EGS for the purpose of supplying electric energy, capacity, transmission and ancillary services.

DEFINITIONS (continued)

Customer Referral Program Agreement – An agreement between the EDC and EGS which defines the terms of the Customer Referral Program.

Date of Service – Shall have the meaning as set forth in 52 Pa. Code § 1.56.

Default – A failure to cure a material breach of Coordination Obligations, as described in Rule 16.3.

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

Default Service Customer – A Customer who takes delivery service.

Direct Access - shall have the meaning set forth in the Competition Act.

Dual Billing – when the EDC and EGS calculate and issue separate bills to the Customer.

Electric Distribution Company (or “EDC”) - shall have the meaning set forth in the Competition Act.

EDC Tariff - The Company's current PaPUC approved Electric Service Tariff, Pa. P.U.C. FirstEnergy Pennsylvania Electric Company.

Electric Generation Supplier (or “EGS”) – any person, corporation or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission and ancillary services to Customers in the applicable Rate District under and pursuant to the Competition Act.

Electronic Data Exchange Working Group (“EDEWG”) – Commission group developing standardized formats and methodology for exchanging information electronically within the Pennsylvania deregulated electric market.

Electronic Data Interchange (“EDI”) – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

FERC - the Federal Energy Regulatory Commission.

DEFINITIONS (continued)

FirstEnergy (“FE”) – the parent company of Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company, FirstEnergy Pennsylvania Electric Company, and Jersey Central Power and Light Company.

Hourly or Sub-Hourly Metering Equipment – electric metering equipment that supplies hourly or sub-hourly data of Customer consumption.

Individual Coordination Agreement – An agreement between the Company and a Registered EGS that arranges for the provision of Coordination Services.

Interest Index - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

Market Participant – has the same meaning as set forth in the PJM Tariff.

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, as may be modified from time to time.

MISO – Midwest Independent Transmission System Operator.

MISO Exit Fees – charges assessed under MISO’s Open Access Transmission Tariff that are associated with ATSI’s exit from the MISO control area. (PP only)

DEFINITIONS (continued)

MTEP Charges – A transmission charge levied by ATSI or by Midwest ISO Transmission Owners pursuant to Attachment FF of the Midwest ISO Tariff. For MTEP Projects constructed by Midwest ISO Transmission Owners, the definition of MTEP Project shall include only transmission projects with respect to which FERC has approved the allocation methodology of a portion of the revenue requirement to Transmission Customers in the ATSI zone. (PP only)

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

North American Energy Industry Standards Board (“NAESB”, formerly known as the Gas Industry Standards Board, “GISB”) – The Board which sets standards associated with the electronic method of communication for data transfer that allows information to be sent and received electronically using the Internet. This method must meet the following minimum criteria:

- Security and/or encryption of transactions and Customer information.
- Proof of transmission and receipt.
- Positive identity of sender and recipient (non-repudiation).
- Reliability.
- Data and file integrity.
- Network performance and availability.
- Recoverability and archiving of data.

PaPUC (or “the Commission”) - The Pennsylvania Public Utility Commission.

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

PJM Control Area – has the same meaning as set forth in the PJM Tariff.

DEFINITIONS (continued)

PJM Integration Fees – charges assessed under the PJM Tariff that are associated with the PP Rate District’s integration into the PJM control area.

PJM Operating Agreement – the PJM Operating Agreement, including schedules and exhibits.

PJM Tariff – the PJM Open Access Transmission Tariff, including schedules and exhibits.

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

Rate Ready – when an EGS which employs Consolidated EDC Billing provides an EDC rate calculation in with the EDC calculates the Customer’s EGS charges to be billed.

Rate District – Met-Ed (“ME”), Penelec (“PN”), Penn Power (“PP”), West Penn (“WP”)

Tangible Net Worth – total assets less intangible assets and total liability. Intangible assets include benefits such as goodwill, patents, copyrights and trademarks.

Tariff – this Electric Generation Supplier Coordination Tariff.

Tax Exemption Certificate – An exemption certificate completed by the Customer to exempt electricity consumption from sales and use tax. A Customer must send, or an EGS may forward a correctly completed and executed Tax Exemption Certificate to the Company, indicating Company as seller, which is required to be kept on file for the Pennsylvania Department of Revenue. The Tax Exemption Certificate shall be the Pennsylvania Exemption Certificate REV-1220, and the successor, superseding or amended versions of the Tax Exemption Certificate in effect from time to time.

RULES AND REGULATIONS

1. THE TARIFF

- 1.1 Filing and Posting.** A copy of this Tariff, which comprises the Charges, Rules and Regulations and Coordination Agreement under which the Company will provide Coordination Services to EGSs, is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website www.firstenergycorp.com.
- 1.2 Revisions.** Subject to Section 2.2, this Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all EGSs providing Competitive Energy Supply to Customers located in the applicable Rate District, including an affiliate or division of the Company that provides Competitive Energy Supply, and with whom the Company has executed a Coordination Agreement as required herein. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of Coordination Services in addition to any other remedies available to the Company.
- 1.4 Rules and Regulations.** The Rules and Regulations, filed as part of this Tariff, are a part of every Coordination Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities.
- 1.5 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff sets forth the basic requirements for interactions and coordination between the Company as the Electric Distribution Company and EGSs necessary for ensuring the delivery of Competitive Energy Supply from EGSs to their Customers within each Rate District.
- 2.2 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act (“FPA”), as amended, or any rule, regulation, order or determination of FERC under FPA, then such 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 FERC under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

3. COMMENCEMENT OF EDC/EGS COORDINATION

3.1 Registration for Coordination Services. An EGS seeking to obtain Coordination Services for a specific Rate District hereunder must deliver to the Company a completed registration, consisting of the following:

- (a) a Coordination Agreement fully executed by a duly authorized representative of the EGS;
- (b) a service agreement for Network Integration Transmission Service under the PJM Tariff, fully executed by a duly authorized representative of the EGS;
- (c) a completed Market Participant Agreement as defined under the PJM Tariff, fully executed by a duly authorized representative of the EGS;
- (d) the EGS's Pennsylvania sales tax identification number;
- (e) a copy of the EGS's license issued by the PaPUC to provide electric service to the Company's retail Customers;
- (f) a copy of the EGS's license application submitted to the PaPUC to apply for its license;
- (g) a credit history form, fully completed ;
- (h) for EGSs that use Consolidated EDC Billing, a copy of the EGS's rate schedule must be provided to the Company. When an EGS requests the implementation of "Standard Rates" on or after registration, or revisions to existing Standard rate schedules, the Company will implement the requested EGS rate schedule(s) within 14 calendar days. Standard Rates include fixed cents per kWh rates, starting from \$0.0500 through \$0.1199 per kWh in \$0.0001 increments, and up to four decimal place precision. A "percent off" of shopping rates would be available from 1% through 50% off the Price to Compare in one-half percent increments. An EGS will be limited to no more than 200 discrete Rate Ready rates per calendar quarter. Additionally, any rate design other than the one specified in Rule 12.1 may delay power flow to a Customer billed under Consolidated EDC Billing.
- (i) a completed Supplier Communication Details form (available on the Company's website).
- (j) a completed W-9 (available on the Company's website).
- (k) banking information (Bank Name, Routing Number, and Account Number) provided on Company letterhead with a signature.

Additional information on the registration process and links to the forms can be found on the Company's Website. [Pennsylvania \(FirstEnergycorp.com\)](http://Pennsylvania.FirstEnergycorp.com)

- 3.2 Incomplete Registrations.** In the event the EGS submits an incomplete registration, the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) business days after the date of service of the registration (as determined consistently with the provisions of 52 Pa. Code § 1.56). The Company will not process an incomplete application until the EGS corrects the deficiencies and delivers a completed registration to the Company for the specific Rate District.
- 3.3 Credit Check.** A registration for Coordination Services shall constitute authorization to the Company to conduct a Creditworthiness review.
- 3.4 Processing of Registrations.** The Company shall complete the processing of each completed registration for Coordination Services within ten (10) business days after the date of service of the registration (as determined consistently with 52 Pa. Code § 1.56). The Company shall approve all completed registrations unless grounds for rejecting the registration exist, as defined below.
- 3.5 Grounds for Rejecting Registration.** The Company may reject a registration for Coordination Services on any of the following grounds:
- (a) the EGS has undisputed outstanding debts to the Company or FirstEnergy arising from its previous receipt of Coordination Services from the Company under this Tariff or any affiliate of the Company.
 - (b) the EGS has failed to comply with payment and billing requirements specified in Rule 12 of the Tariff.
 - (c) the Company has provided written notice to the EGS that a registration is deficient and the EGS has failed to submit a completed registration within thirty (30) calendar days of deficiency notification.

The Company may also petition the PaPUC to reject the registration of an EGS with Bad Credit as to PaPUC jurisdictional transactions. The Company need not provide Coordination Services to the EGS pending the PaPUC's review of said Petition unless the EGS has provided security to the Company as provided for in Rule 12.5. The EGS must comply with all applicable requirements of the PJM Tariff in order for its registration to be accepted as complete.

- 3.6 Offer of Conditional Acceptance of Registration.** Where grounds for rejection of a registration exist due to an EGS's outstanding and undisputed debts arising from its previous receipt of Coordination Services from the Company under the Tariff or to FirstEnergy or any affiliate of the Company, the Company may offer the affected EGS a conditional acceptance if the EGS pays such debts before it receives Coordination Services. If the EGS rejects the Company's offer of conditional acceptance under this Rule or if the EGS does not act upon the Company's offer of conditional acceptance within thirty (30) calendar days following offer, then the EGS's registration for Coordination Services will be deemed rejected.
- 3.7 Rejection of Registration.** Upon rejection of any registration, the Company shall provide the affected EGS with written notice of rejection within the ten days of date of service of the registration (as determined consistently with the provisions of 52 Pa. Code § 1.56) or the date of the end of the thirty-day period for corrections of deficiencies or conditional acceptance and shall state the basis for its rejection.
- 3.8 Approval of Registration.** Upon its approval of a registration for Coordination Services, the Company shall execute the Coordination Agreement tendered by the registrant and shall provide one copy to the EGS and maintain a copy for its own records.
- 3.9 Identification Numbers.** Upon its approval of a registration for Coordination Services, the Company will use the assigned EGS identification number in subsequent electronic information exchange between the EGS and the Company.
- 3.10 Commencement of Coordination Services.** Coordination Services shall commence within ten (10) business days after the Company's approval of an EGS's registration for Coordination Services provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company and any conditions established under Rule 3.6 have been satisfied by the EGS.

4. COORDINATION OBLIGATIONS

- 4.1 Provision of Coordination Services.** The Company shall provide all Coordination Services specified in this Tariff and necessary for the delivery of an EGS's Competitive Energy Supply to serve Customers located within the applicable Rate District.
- 4.2 Timeliness and Due Diligence.** EGSs shall exercise due diligence in meeting their obligations and deadlines under this Tariff so as to facilitate Direct Access.
- 4.3 Duty of Cooperation.** The Company and EGS will cooperate in order to ensure delivery of Competitive Energy Supply to Customers as provided for by this Tariff, the EDC Tariff, the PJM Tariff and the Competition Act.
- 4.4 Supplier Ombudsman.** The Company is providing an Ombudsman to respond to questions from EGSs, monitor complaints regarding the competitive market, and facilitate informal dispute resolution between EGSs as well as Default Service providers. The Supervisor of Supplier Services will serve as the Company Ombudsman. The Company will maintain contact information for its Ombudsman on the Company's website.
- 4.5 State Licensing.** An EGS must have and maintain in good standing a license from the PaPUC as an authorized EGS. The EGS shall notify the Company within three (3) business days of any amendment, revocation, termination or other change in its License applicable to the applicable Rate District .
- 4.6 Energy, Capacity, and AEPS Procurement.** An EGS is responsible for all necessary arrangements for supply and delivery of electric energy and capacity in a quantity sufficient to serve its own Customers under the PJM Tariff and to also satisfy AEPS obligations associated with its supply, subject to Section 9.
- 4.7 Transmission Services and Obligations.** An EGS is responsible for arranging, procuring, taking and paying for those services provided by PJM that are necessary for the delivery of Competitive Energy Supply to its Customers by Rate District pursuant to the PJM Tariff and this Tariff. Failure to do so will result in a suspension of the EGS's registration until resumption of such services by the EGS occurs.

- 4.8 Energy Scheduling.** An EGS must make all necessary arrangements for scheduling the delivery of energy with PJM to each Rate District.
- 4.9 Reliability Requirements.** An EGS shall satisfy those applicable reliability requirements issued by the PaPUC, PJM, or any other governing reliability council or its successor with authority over the EGS.
- 4.10 Supply of Data.** An EGS and the Company shall supply to the other all data, materials or other information specified in this Tariff, or otherwise reasonably required by the EGS or Company in connection with the provision of Coordination Services, in a thorough and timely manner.
- 4.11 Communications Requirements.** An EGS shall implement NAESB standards which is the preferred method of communication (EDI), as determined by the EDEWG and PaPUC Docket No. M-00960890F.0015. NAESB standards must meet the minimum criteria of, and be endorsed by, the EDEWG. An EGS shall have appropriate software for access to the Company's Internet site for file viewing, uploads and downloads.
- 4.12 Payment Obligation.** The Company's provision of Coordination Services to an EGS is contingent upon the EGS's payment of all charges provided for in this Tariff and the PJM Tariff.
- 4.13 Record Retention.** An EGS and the Company shall comply with all applicable laws and the PaPUC rules and regulations for record retention, including but not limited to those Rules of Chapter 56 of the PaPUC regulations, 52 PA Code § 56.1 et seq.

4.14 Credit Requirements. The Company will apply, on a non-discriminatory and consistent basis, reasonable financial standards to assess and examine an EGS’s Creditworthiness. These standards will take into consideration the scope of operations of each EGS and the level of risk to the Company. This determination will be aided by appropriate data concerning the EGS, including load data or reasonable estimates thereof, where applicable.

The Company requires an initial credit amount and shall adjust the amount required commensurate with the financial risks placed on the Company by an EGS, including recognition of an EGS’s performance. An EGS shall satisfy its Creditworthiness requirement and receive an unsecured credit limit which will be a maximum of 5% of an EGS’s Tangible Net Worth by demonstrating that it has, and maintains, investment grade long-term bond ratings from any two of the following four rating agencies:

| Rate District | CREDIT AMOUNT |
|----------------------|----------------------|
| Met-Ed | \$250,000 |
| Penelec | \$250,000 |
| Penn Power | \$250,000 |
| West Penn | \$25,000 |

| AGENCY | SENIOR SECURITIES RATING (BONDS) |
|-------------------------------------|---|
| Standard & Poors | BBB- or higher |
| Moody’s Investors’ Services | Baa3 or higher |
| Fitch IBCA | BBB- or higher |
| Duff & Phelps Credit Rating Company | BBB- or higher |

The EGS will provide the Company with its or its parent’s most recent independently audited financial statements, (if applicable) and its or its parent’s most recent Form 10-K and Form 10-Q (if applicable).

The Company shall make reasonable alternative credit arrangements with an EGS that is unable to meet the aforementioned criteria and with those EGSs whose credit requirements exceed their allowed unsecured credit limit. The EGS may choose from any of the following credit arrangements in a format acceptable to the Company: an irrevocable Letter of Credit; a cash deposit established with the Company; including the Company as a beneficiary; or other mutually agreeable security or arrangement. The alternate credit arrangements may be provided by a party other than the EGS, including one or more ultimate Customers. The fact that an irrevocable Letter of Credit or cash deposit is provided by a party other than the EGS shall not be a factor in the determination of the reasonableness of any alternative credit arrangement, as long as such party and the related credit arrangements meet the Company’s standard credit requirements.

4.15 Standards of Conduct and Disclosure for Licensed EGSs. The Standards of Conduct and Disclosure for Licensees are incorporated herein by reference.

4.16 Load Shedding and Curtailments.

4.16.1 Transmission service shall be provided pursuant to the PJM Tariff. The EGS shall accept PJM's determination that an emergency exists and will comply with PJM's directives and actions issued pursuant to the PJM Tariff.

4.16.2 Emergency shutoff. PJM and the Company have the right to take whatever actions are necessary pursuant to the PJM Tariff and the EDC Tariff in order to maintain system integrity, or to otherwise prevent the occurrence of a system emergency or to rectify the occurrence of a system emergency.

5. DIRECT ACCESS PROCEDURES

5.1 Pre-Enrollment Customer Information List

The following information will be provided on the Customer information list for each Customer who has not requested that all information be removed from this list:

- i) Customer Account #
- ii) Meter #
- iii) Name
- iv) Service Address, including Zip+4
- v) Billing Address, including Zip+4
- vi) Budget indicator (is Customer on a budget billing program)
- vii) Meter Read Cycle date
- viii) Meter Type
- ix) Interval Meter Flag
- x) Load Profile Group Indicator
- xi) Rate Code Indicator
- xii) Loss Factor
- xiii) 24 Individual Months Consumption (kWh)
- xiv) 24 Individual Months Demand (kW)
- xv) End of billing period date for each billing month
- xvi) # days in billing period for each billing month
- xvii) Default Service indicator (is Customer a Default Service Customer as of the date of the list update)
- xviii) PLC Value (capacity obligation) and effective date of this value
- xvix) PLC Value (transmission obligation) and effective date of this value
- xx) Date the list was last updated
- xxi) Net Metering Indicator
- xxii) Sales Tax Status
- xxiii) Pennsylvania Customer Assistance Program Indicator

The Company will provide the Customer information list by either a download from a secured website or compact disc. The information will be prepared and distributed in a uniform and useable format that allows for data sorting. The Customer information list will be updated monthly. The Company will provide each Customer the option to have all of its Customer information listed above removed from the Customer information list. At the same time, the Company will also provide each Customer the option to have all of the information listed above included on the Customer information list.

- 5.2 Interval Meter Data** A licensed EGS is expected to maintain appropriate Customer authorization when requesting historical Interval Meter data. The Interval Meter data will be provided at no cost to an EGS and will be transferred in a standardized format and sent to the EGS via EDI and will include twelve months of data. Alternatively, an EGS may access the data through a secured portion of the Company's supplier website. The EGS will share its records of Customer authorization with the Company upon request and those records shall be subject to audit by the Commission.
- 5.3 Switching Among EGSs (or between an EGS and the Company providing Default Service), and Initial Selection of an EGS.** EGS selection and switching by Customers shall occur in accordance with the Direct Access procedures contained in this Tariff and the EDC Tariff.
- 5.3.1** (a) If a Customer contacts a new EGS to request a change of EGS and the new EGS agrees to serve the Customer, the Customer's new EGS shall obtain appropriate authorization from the Customer, or person authorized to act on the Customer's behalf, indicating the Customer's choice of EGS. It is the EGS'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.
- (b) The Customer's new EGS shall also submit the Customer's enrollment information using the PA EDI 814 transaction. Upon receipt of the 814 enrollment transaction from the EGS, the Company will automatically confirm receipt of the file.
- (c) The Company will send the Customer a confirmation letter before the end of the next business day to confirm the Customer's EGS selection. The EGS selection will be effective within three (3) business days after processing the selection. The confirmation letter shall include notice to residential and small commercial Customers that the Customer's service may be terminated for failure to pay for generation service provided by an EGS and billed by the EDC.
- (d) Once the preceding process is complete the Company will notify the Customer's prior EGS of the discontinuance of service to the Customer from that prior EGS.

- 5.3.2** If a Customer contacts the Company to request a change of its EGS to another EGS, the Company shall notify the Customer that the selected EGS must be contacted directly by the Customer in order to initiate the change.
- 5.3.3** If an EGS wishes to obtain from the Company confidential Customer-specific information about a Customer with whom it is discussing the possibility of providing Competitive Energy Supply but who has restricted access to the information, the Company will only provide such information after receiving written, electronic or telephonic customer authorization from the requesting supplier or attestation from the supplier that it has such authorization. The EGS will share its records of Customer authorization with the Company upon request and those records shall be subject to audit by the Commission.
- 5.3.4** (a) If a Customer contacts the Company to request a change of EGS to the Company's Default Service, the Company will process the request and send the Customer a confirmation letter before the end of the next business day confirming the Customer's return to Default Service. The selection will be effective within three (3) business days after processing the request. Once the preceding process is complete, the Company will notify the Customer's prior EGS of the discontinuance of service to the Customer from that prior EGS.
- (b) In no event shall § 5.3.4 (a) above affect the continued supply of electricity to a Customer once a Customer's service is discontinued by an EGS.
- 5.3.5** (a) If a Customer contacts the Company to discontinue electric service at the Customer's then current location, and initiates a request for service at a new location in the applicable Rate District, the Company will notify the current EGS of the Customer's discontinuance of service for the account at the Customer's old location via an EDI drop transaction of the Customer's discontinuance of service for that location.
- (b) If a Customer contacts the Company to discontinue electric service the Company will notify the current EGS via an EDI drop transaction of the Customer's discontinuance of service for the location.
- 5.3.6** If the Company elects to change the account number for a Customer receiving generation service from an EGS for Company purposes (i.e., not as a result of customer action), the Company will notify the EGS of the change in account number at the same Customer location in sufficient time to permit the EGS to complete the EDI transactions required to maintain the EGS's service to the Customer.

5.4 Provisions relating to an EGS's Customers.

5.4.1 Arrangements with EGS Customers. EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, the PJM Tariff and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Beginning June 1, 2023, consistent with Docket No. P-2021-3030012 (ME) P-2021-3030013 (PN), P-2021-3030014 (PP), P-2021-3030021 (WP), Customers enrolled in the Company's Pennsylvania Customer Assistance Program ("PCAP") are required to be enrolled in the Company's Default Service at the price-to-compare. Additionally, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to PCAP.

5.4.2 Transfer of Cost Obligations Between EGSs and Customers. Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company.

5.4.3 Customer Obligations. Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

6. LOAD PROFILING AND FORECASTING

- 6.1 Customer Load and Weather Forecasting.** The EGS is responsible for developing an aggregated load forecast for its Customer's load to satisfy obligations required by this Tariff, the PJM Tariff and the applicable PJM Tariff rules, agreements, and procedures for each Rate District in which they service customers.
- 6.2 Forecasting Methodology.** The load forecast developed by the EGS shall conform to the following as well as all other relevant sections of this Tariff and the PJM Tariff.
 - 6.2.1 Monthly Metered Customer Forecasts.** The Company shall make available to the EGS hourly load profiles, losses, and rate class of the Company’s retail Customers which do not have interval metering. The Company, at its discretion, may update, add or modify the load profiles for any or all Customer rate classes on a prospective basis.
 - 6.2.1.1 Street Lighting (Unmetered) Customer Forecasts.** The Company shall make available to the EGS hourly load profiles, losses and rate class of the Company’s Street Lighting and Outdoor Lighting Customers which are unmetered. (ME and PN only).
 - 6.2.2 Hourly Metered Customer Forecasts.** The EGS shall forecast its Customers’ load for hourly metered Customers, adjusted for the inclusion of losses.
- 6.3 Line Losses.** For purposes of EGS load calculations in Sections 6 and 7 of this Supplier Coordination Tariff, the combined transmission and distribution line losses shall be calculated by multiplying hourly kWh sales delivered to Customer(s) served pursuant to the specified rates by the applicable line loss factor. The applicable line loss factors are: (Met-Ed and Penelec only).

LOSS FACTORS

Met-Ed and Penelec

| <u>ENERGY</u> | <u>MET-ED</u> | <u>PENELEC</u> |
|--------------------------|---------------|----------------|
| Rate Schedule TP | 1.0210 | 1.0407 |
| GP | 1.0374 | 1.0606 |
| All other rate schedules | 1.0718 | 1.0945 |

The Company reserves the right to file to revise these factors from time to time to reflect changes in system line losses.

Penn Power

Losses will be calculated by multiplying the retail Customer(s) load times the applicable real power loss factor specified below:

| Service Voltage Level | Cumulative Loss Factor |
|----------------------------------|-----------------------------------|
| 23 kV to < 69 kV | 0.1% |
| 4.1 kV to < 23 kV | 3.0% |
| 4.1 kV | 6.2% |

West Penn

For purposes of calculating daily load estimates and energy reconciliation in Rules 6, 7 and 8 of the EGS Tariff, the combined real power transmission losses and distribution line losses for Secondary, Primary, Subtransmission with transformer charges, Subtransmission and Transmission voltage levels shall be calculated by multiplying hourly kWh sales delivered to Customer(s) served at these voltage levels by the applicable line loss factor. Line loss factors are time-differentiated as on-peak and off-peak for each voltage classification. The on-peak line loss factors apply to the hours ended 8 a.m. to 11 p.m. Monday through Saturday. The off-peak line loss factors apply to all remaining hours. The applicable on-peak and off-peak line loss factors are:

| Voltage Served | On-peak line losses | Off-peak line losses |
|--|---------------------|----------------------|
| Secondary | 9.434% | 8.537% |
| Primary | 6.383 | 5.482 |
| Subtransmission w/ transformer charges | 4.282 | 3.992 |
| Subtransmission | 3.578 | 3.277 |
| Transmission | 2.184 | 1.938 |

The Company will revise these line loss factors if PJM imposes or changes any separate charges on its transmission Customers for the level of line losses that is included in these factors. Any such revision will be filed with the FERC and the Commission, provided to EGSs via electronic mail and posting on the Company’s website, and become effective thirty (30) days after filing unless otherwise ordered by the Commission or the FERC (or concurrently with any change in or imposition of separate PJM line loss charges, whichever is later). The Company will make a good faith effort to advise EGSs of any change in these loss factors more than thirty (30) days in advance of a change when warranted.

6.4 Adequacy of Load Profiles. An EGS's remedies for any deficiency in the Company’s load profiles for monthly metered Customers shall be limited to either:

- (a) arranging, at its own expense, for the installation pursuant to PaPUC rules and procedures of Hourly or Sub-Hourly Metering Equipment at the Customer's premises in order to permit the Customer to be forecasted, billed and reconciled as an hourly metered Customer; or
- (b) entering, at its own expense, into a joint load study with the Company to develop new load profiles.

Nothing in this Tariff precludes an EGS from using its own load profiles at any time although the Company will use its own load profiles to determine the energy imbalances at the end of each billing month.

7. ENERGY SCHEDULES AND USE OF SCHEDULING COORDINATORS

- 7.1 Energy Schedules.** The EGS, or its designated Scheduling Coordinator(s), shall be responsible for scheduling energy and purchasing all transmission and ancillary services as defined by the PJM Tariff necessary to get energy to the Customer's point of delivery pursuant to the service agreement for Network Integration Transmission Service under the PJM Tariff, as noted in Appendix A – Responsibilities for PJM Billing Line Items as Defined in Applicable PJM Agreement or Manual.

EGSs will no longer be responsible for PJM Regional Transmission Expansion Plan charges ("RTEPs") (PJM Tariff Schedule 12) and PJM Expansion Cost Recovery charges (PJM Tariff Schedule 13) billed for service rendered by PJM beginning June 1, 2013.

Beginning June 1, 2015, EGS will no longer be responsible for the following transmission costs: (1) PJM charges associated with reliability must run ("RMR") generating unit declarations and deactivation of plants deactivated after July 24, 2014, the date of the Commission approval of the Company's Default Service Programs in PaPUC Docket No.(ME) P-2013-2391368 , (PN) P-2013-2391372, (PP) P-2013-2391375, (WP) P-2013-2391378; (2) historical out of market tie line generation and retail customer meter adjustments; and (3) unaccounted for energy.

EGSs will not be responsible for any approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009.

- 7.2 Transition From MISO To PJM.** EGS will not be responsible for MTEP Charges or any MISO Exit Fees or PJM Integration Fees. In the event EGSs are assessed for such charges, the Company shall arrange for EGSs to receive credit equal to the assessed charges through PJM or reimbursement directly from the Company, in the Company's discretion. (PP only)

8. SETTLEMENTS

- 8.1 Applicability of PJM Tariff.** The EGS agrees that settlements will be provided under the rates, terms, and conditions of the PJM Tariff.
- 8.2 Billing.** Billing for settlements shall be rendered by PJM in accordance with the PJM Tariff.
- 8.3 Metered Data Collection.** Meter data collected by the Company shall be utilized to calculate the quantity of energy actually used by an EGS's Customers for settlements.
- 8.3.1 Monthly Metered Customers.** Data from monthly metered Customers is collected corresponding to Customers' billing cycles. The Company shall convert such meter data for Customers to equivalent hourly usage. Rate class load profiles will be adjusted for usage factor and losses to derive an hour-by-hour usage, based on the applicable PJM rules, agreements, and procedures.
- 8.3.2 Hourly Metered Customers.** Data from hourly metered Customers will be collected by the Company on a monthly basis. The Company will utilize the actual time interval data from such meters. The actual hourly metered energy consumption will be adjusted for the inclusion of losses based on the applicable PJM rules, agreements, and procedures.
- 8.3.3 Calculation of Load.** Load shall be calculated by PJM according to the Supplier User Manual@: [Pennsylvania \(FirstEnergycorp.com\)](http://Pennsylvania (FirstEnergycorp.com))
- 8.3.4 PJM Deration of Load.** The Rate District's load shall be derated by PJM for calculation of charges under the PJM Operating Agreement and PJM Tariff.
- 8.4 PJM Settlements.** Monthly metered Customers' actual usage and hourly metered Customers' actual usage based on Interval Meter data for Commercial and Industrial Customers when available shall be aggregated by the applicable Rate District to arrive at the total hourly aggregated load for each EGS and submitted to PJM in accordance with applicable business practices manual and the PJM Tariff.
- 8.4.1 Rates for Settlement.** The rates for settlement shall be those specified in the PJM and the applicable business practices manual
- 8.5 PJM PLC and NSPL Determination.** The Company will develop and create PJM PLC and NSPL in accordance with PJM deadlines and practices utilizing procedures outlined on the Company's website here: Supplier User Manual: [Pennsylvania \(FirstEnergycorp.com\)](http://Pennsylvania (FirstEnergycorp.com))

The Company will submit each supplier's respective PLC and NSPL to the PJM eRPM tool (or its successor).

- 8.5.1 Customer PLC and NSPL.** The customer specific PLC and NSPL developed in support of the PLC and NSPL submitted to the PJM eRPM tool (or its successor) by the Company, will be provided to each EGS for the EGS's customers of record no later than 10 days following such data being uploaded into the Company's SAP system. Beginning in 2012, the Eligible Customer List ("ECL") and supplier specific "Sync Lists" will contain the new PLC and NSPL values in the first scheduled update of the ECL and Sync Lists after the calculations are uploaded into the SAP system.

9. ALTERNATIVE ENERGY PORTFOLIO STANDARDS

- 9.1 Requirements.** EGSs supplying retail load in the applicable Rate District shall cooperate with the Company to ensure compliance with applicable requirements under the AEPS Act and related regulations. An EGS is required to meet AEPS Act requirements for its metered retail load as measured at the delivery point for each EGS Customer.

10. METERING

- 10.1 Meter Installations.** The Company will utilize its installed metering installation for each Customer participating in the Pennsylvania Electric Choice Program. Upon written request the Company will acquire, install, maintain and read qualified advanced metering and meter-related devices as approved by the Commission from time to time. The Company will provide a list of available advanced metering devices upon request. The list may also be obtained from the Commission's web page at <http://www.puc.state.pa.us>. Any changes in the Customer's meter necessary to accommodate an EGS's systems, price schedules, telemetry or other requirements must be compatible with and meet the Company's specifications for metering and any applicable regulations.
- 10.2 Meter Cost Responsibility.** The EGS shall pay the Company (unless the Customer has made arrangements to pay) the net incremental cost approved by the Commission from time to time for qualified advanced metering and meter-related devices and as described in Paragraph 10.1, above and consistent with the Company's approved Smart Metering Plan. Installation and maintenance of such metering will be the responsibility of the Company, which will own all such metering. Either the Customer or the EGS shall provide, at its sole cost and expense, the installation, operation and maintenance of the required compatible communication/telephone link(s) in order to transmit metered information from meters equipped for telemetry of metered data.
- 10.3 Billing Meters.** Any meter used for billing, capacity and energy obligations and reconciliation determinations shall be installed, owned and maintained by the Company. All meters used for billing shall be maintained and tested in accordance with applicable PaPUC regulations.
- 10.4 Meter Testing.** The Company will test designated Company-owned meters upon the written request of the EGS. If the accuracy of a Company-owned meter is found to be outside PaPUC requirements, the costs of such test shall be borne by the Company. If a Company-owned meter is tested and found to be within PaPUC accuracy requirements, the costs of such test shall be borne by the EGS. Any Company-owned meter found to be outside PaPUC accuracy requirements or otherwise defective shall be adjusted, repaired or replaced at the sole cost or expense of the Company, unless such deviation is determined to be the fault of the Customer or the EGS. If the Customer requests meter testing, then the rate charged shall be consistent with PaPUC regulations.

10.5 Meter Reading. The Company shall read Customer meters on a monthly basis or as otherwise provided in its EDC Tariff or in PaPUC regulations. Where the Company is unable to read a Customer's meter in a particular month, the Company shall estimate the meter reading in accordance with its standard procedures.

10.6 Billing Cycles. Meters will be read and billed on a daily basis on a predetermined meter reading schedule. The Company uses twenty (20) billing cycles per revenue month for Met-Ed and Penelec Rate Districts and twenty-one (21) billing cycles per revenue month for Penn Power and West Penn Rate Districts. Each business day¹ one of the cycles will be read until all twenty (20) cycles for Met-Ed and Penelec Rate Districts, or all twenty-one (21) cycles for Penn Power and West Penn Rate Districts have been read and the month is considered complete for reporting and revenue purposes. Meter reading intervals will be performed on the Company's existing schedules and will cover approximately thirty (30) days, but may vary between twenty-seven (27) to thirty-five (35) days. The Company may change its meter reading schedules at its discretion. If an EGS requires or requests more consumption data than is normally provided by the monthly meter reading, the additional information will be obtained provided that appropriate metering is installed by the Company and that any incremental costs are paid by the EGS.

10.7 Meter Data Provided by the Company to an EGS. Regardless of whether the Company or an EGS performs Customer billing for an EGS's energy charges, the Company will make available to an EGS daily files containing meter readings, total kWh usage, registered maximum demand (where applicable), and reading type information (i.e., actual or estimated), and any other relevant information mutually agreed upon by the Company and EGS for each of an EGS's Customers as it becomes available by billing route.

10.7.1 Summary Interval Meter Data. Interval meters are read on a monthly schedule, and raw hourly data is processed through the Company's metering subsystem which in turn provides summary information to the Company's Customer billing system. This summary information consists of total kWh usage over the billing cycle, and maximum on-peak and off-peak demands over the billing cycle. This summary information will be provided to an EGS on a monthly basis for that EGS's.

Customers equipped with interval metering equipment. Should an interval metered Customer, or that Customer's EGS, request hardcopy or electronic file formats of non-summary information (detailed hourly or sub-hourly metering information for the monthly billing cycle or for historical periods), the Company will provide such information at no charge, to the extent that it is available. When requesting historical usage information for accounts equipped with interval meters, an EGS will receive summary usage only, unless detailed interval usage is requested. Upon enrollment of an account with an interval meter, an EGS will receive summary monthly billing usage only, unless detailed interval billing usage is requested.

¹ "Business days" for purposes of billing cycles shall include all days in a calendar year except Saturdays and Sundays; New Year's Day; Good Friday; Memorial Day; Independence Day; Labor Day; Thanksgiving; Christmas Eve; Christmas Day; and New Year's Eve.

11. CONFIDENTIALITY OF INFORMATION

- 11.1 Information.** All confidential or proprietary information made available by one party to the other in connection with the registration by an EGS with the Company and/or the subsequent provision and receipt of Coordination Services under this Tariff, including but not limited to load curve data, and information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company, receiving or providing Coordination Services and/or providing Competitive Energy Supply to Customers in the applicable Rate District. Other than disclosures to representatives of the Company or EGS for the purposes of enabling that party to fulfill its obligations under this Tariff or for an EGS to provide Competitive Energy Supply to Customers in the applicable Rate District, a party may not disclose confidential or proprietary information without the prior authorization and/or consent of the other party.
- 11.2 Customer Information.** The EGS shall keep all Customer-specific information supplied by the Company confidential unless the EGS has the Customer's written authorization to do otherwise.

12. PAYMENT AND BILLING

12.1 Customer Billing by the Company. All EGS charges to Customers, if billed by the Company, shall be billed in accordance with the EDC Tariff and the following provisions:

- (a) **Company Billing for EGS.** The Company will offer Rate Ready, Bill Ready and Dual Billing Capability to EGSs. The Rate Ready option will be limited to a flat rate per kWh and a percentage off Price to Compare pricing options. Nothing in this Tariff shall require the Company to manually bill more Customers within a rate class than it bills manually for its distribution service Customers. Notwithstanding the preceding sentence, if the Company's billing system has the capability to bill additional price plans offered by the EGS, the EGS may request the Company to consider doing all or some of the billing for the EGS's Customers based on the Customers' preferences. In those situations where the Company's billing system is unable to calculate the EGS charges under the pricing format being used by the EGS, the Company will provide the EGS with sufficient meter data on a timely basis. The EGS can then calculate the Customers' EGS charges and other billing information and present this information to the Company for its inclusion in the Customers' bills. The EGS will be responsible to the Company for any incremental costs associated with including such EGS charges and other billing information in the Customers' bills.
- (b) **Billing Files.** Where the EGS has requested the Company to act as the EGS's billing agent the Company shall electronically transmit files of billing detail daily to the EGS. Such files shall include the Customer account number, rate codes, usage information, demand and energy charges, sales tax, and other EGS charges.
- (c) **Equal Payment Plan.** The Company will offer a budget billing option to all residential Customers when the Company provides Rate Ready Consolidated EDC Billing. Budget billing will be available for the Customer's total charges including EGS charges. The budget bill amount will be calculated consistent with the Company's retail tariff customers taking default service. EGSs will be paid the actual monthly charges, not the budget bill amount. However, the Company's billing system is incapable of aging receivables for more than one supplier per Customer.
- (d) **Sales Tax Exemption.** With respect to Customers receiving one bill from the Company, the EGS for whom the Company is billing must provide the applicable sales tax exemption percentage to the Company. If the percentage provided by the EGS for billing the EGS's charges is different from the percentage billed by the Company, the supplier must notify their Customer to select the Dual Billing option. The EGS is responsible for holding appropriate exemption certificates and is liable for the collection and remittance of sales tax on the EGS's charges.

- (e) **Company Reimbursement to EGS for Payments from Customers not included in Section 12.9 Purchase of Receivables Program.** Where the Company acts as the billing agent for the EGS, the Company shall reimburse the EGS for all energy charges, late fees, sales taxes, and other charges collected from Customers on behalf of the EGS on a daily basis.

The EGS assumes all risks of non-payment by a Customer and the Company is obligated to remit to the EGS only the difference between (a) amounts received from Customers taking service from the EGS and (b) any amounts owed to the Company by or with respect to such Customer. Any amount remitted by a Customer in excess of the total due and owing the Company and EGS will be held in the Customer's account with the Company for distribution in the following billing cycle(s) or, at the Customer's request, will be refunded to the Customer. In the event that any Customer checks are returned dishonored by a bank, the corresponding debits will be applied in inverse order to the order set forth above for the application of remittances. The Company will correct any misapplied payments or transactions. The Company will also provide the EGS an electronic file consisting of Customer payments and any returned checks and/or Customer adjustments.

- (f) **EGS Billing Data.** The EGS shall provide all necessary data in its possession for the timely generation of bills. A failure of the EGS to provide necessary data to the Company in a timely fashion may delay generation of a bill for the month to which the data pertains. In such instances, the EGS is responsible for all fines and violations, if any, arising as a consequence of the Company's inability to render a timely bill.

12.2 EGS Payment of Obligations to the Company. An EGS shall pay all Coordination Services Charges or any other charge it incurs hereunder in accordance with the following provisions:

12.2.1 Billing Procedure. Each month, the Company shall submit an invoice to the EGS for all Coordination Service Charges provided under this Tariff. The invoice shall also include for each EGS that participates in the Customer Referral Program the applicable cost of the program. An executed Customer Referral Program Agreement will specify the terms and costs, up to \$30 per customer, to be included in the invoice to the EGS associated with the Customer Referral Program with those costs to be updated and communicated to each participating EGS on an annual basis. The invoice may be transmitted to the EGS by any reasonable method requested by the EGS. An EGS shall make payment for charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days (Met-Ed, Penelec and West Penn) or less than fourteen (14) banking days (Penn Power) from the date of transmittal of the bill. The Company has the right to withhold from the Purchases of Receivables (“POR”) payment an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.2.

12.2.2 Manner of Payment. The EGS shall make payments of funds payable to the Company by wire transfer to a bank designated in Rule 12.2.3. The Company may require that an EGS that has not met Creditworthiness tender payment by means of a certified, cashier’s, tellers, or bank check, or by wire transfer, or other immediately available funds. If disputes arise regarding an EGS bill, the EGS must pay the undisputed portion of disputed bills under investigation.

12.2.3 Wire Transfer. Payment to the Company by the EGS must be made by electronic wire transfer or such other means as will cause payment to be available for the use by the Company on the due date. All payments shall be wire transferred to:

| | |
|---------------|-----------------------------|
| Bank: | JP Morgan Chase |
| ABA No.: | 021000021 |
| Account Name: | FirstEnergy Service Company |
| Account No.: | 323396364 |

12.2.4 Late Fee for Unpaid Balances. If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month on the unpaid balance.

12.2.5 EGS Default. In the event the EGS fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Company notifies the EGS to cure such failure, a default by the EGS shall be deemed to exist. In the event of a billing dispute between the Company and the EGS, the Company will continue to provide service pursuant to the Coordination Agreement and the Tariff as long as the EGS continues to make all payments not in dispute. A billing dispute shall be dealt with promptly in accordance with the dispute resolution procedures set forth below in Rule 18.

12.2.5.1 EGS Offset. In the event an EGS is deemed to be delinquent under 12.2.5, the Company, may at its sole discretion, reduce the reimbursement to the EGS for amounts collected by the Company by the amount owed to the Company.

- 12.3 Billing for Supplier Obligations to Other Parties.** The Company will assume no responsibility for billing between an EGS and PJM or any party other than the Company.
- 12.4 Guarantee of Payments.** Before the Company will render service or continue to render service, the Company will require an applicant for Coordination Service or an EGS currently receiving such service that has Bad Credit to provide a cash deposit, letter of credit, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and compliance with the Company's Rules and Regulations. In addition, the Company may require an EGS to post a deposit at any time if the Company determines that the EGS no longer has Creditworthiness. An EGS shall have the right to submit to the Commission for resolution any reasonable credit dispute regarding such deposit, letter of credit, or other guarantee sought by the Company if the EGS believes such a requirement is inappropriately based or assessed.
- 12.5 Amount of Deposits.** The deposit shall be equal to the value of Coordination Services Charges the Company projects the EGS will incur during the next two (2) billing periods based on that EGS's forecasted load obligation.
- 12.6 Return of Deposits.** Upon discontinuance or termination of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts.
- 12.7 Interest on Deposits.** The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or six (6) percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).
- 12.8 Credit Information.** In addition to information required otherwise hereunder, an EGS shall be required to provide to the Company such credit information as the Company requires.

12.9 Purchase of EGS Receivables (“POR”) Program. The Company will purchase the account receivables, associated with Basic Electric Supply. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules:

| Rate Schedule | ME | PN | PP | WP |
|--------------------------------------|----|----|----|----|
| Residential Service RS | X | X | X | X |
| General Service GS-Small | X | X | X | X |
| General Service GS-Medium | X | X | X | X |
| Borderline Service | X | X | | |
| Street Lighting Service | X | X | | |
| Street Lighting Service-SV | | | X | |
| Street Lighting Service-SVD | | | X | |
| Street Lighting Service-SM | | | X | |
| Private Outdoor Lighting Service PLS | | | X | |
| Ornamental Street Lighting Service | X | X | | |
| Outdoor Lighting Service | X | X | | |
| Municipal Service | X | X | | |
| 51-58 and 71 | | | | X |
| GS-V | X | X | X | X |

Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services. The Company has the right to withhold from the POR payment to an EGS an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.2.

Suppliers serving both industrial and commercial/residential Customers on Consolidated EDC Billing would need a DUNs number. EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

The Company will purchase receivables only for service rendered on or after June 1, 2011. Receivables for service rendered before June 1, 2011 cannot be used for termination purposes. For Penn Power Rate District.

- (a) **Eligibility:** The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.
- (b) **Timing of Payments:** Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid forty (40) days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

- (c) **Termination of Service:** The Company will have the ability to terminate service to a Customer for the Customer's non-payment of EGS Basic Electric Supply charges incurred after January 1, 2011 in the same manner and to the same extent that the Company could terminate service to such a Customer for non-payment of EDC charges. Residential Customers termination will be subject to the consumer protections included in Chapter 14 of the Public Utility Code, Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time. The POR is only available as long as the Company is able to terminate service to Customers under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time.
- (d) **Customer Complaints:** The Company will manage bill disputes related to purchased EGS receivables in the same manner as bill disputes related to Default Service, except that the Company will be permitted to suspend payment of the portion of an EGS receivable that is the subject of the formal or informal dispute proceeding before the Commission or an allegation made to the Company by a Customer: (i) that the Customer was placed on EGS service without Customer permission; or (ii) that the Customer's EGS rate is incorrect.
- (e) **Dispute Resolution:** To the extent concerns arise regarding the implementation of the provisions of the POR program, the parties shall attempt to resolve such disputes according to the dispute resolution procedures described in Section 18 of this Tariff. Parties also have the right to resolve such disagreements through the PaPUC's dispute resolution process.
- (f) **Administrative Fees:** Administrative costs incurred by the Company associated with consumer protections over and above those provided by Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq. as currently enacted, will be recovered from EGSs. Details of these costs and the charges derived there from shall be provided to EGSs at least 60 days in advance of the charge being implemented. Each EGS serving the residential and commercial load will receive a monthly bill with their share of the costs; any costs will be amortized over a twelve month period. The bill will be based on each EGS's load weighted share of the total shopping load for the month.

The Company will make its purchase of receivables "non-recourse" but will recover administrative and consumer protection program costs from the EGSs through a charge per EGS bill rendered per month not to exceed \$0.15. (PP only)

- (g) **Clawback Clause:** The Companies will apply a two-prong test to determine the clawback charge. The first test will identify those participating EGSs whose average percentage of write-offs as a percentage of revenues over the twelve-month period ending August 31st each year exceeds 200% of the average percentage of total EGS write-offs as a percentage of revenues per operating company. The second prong of the test will identify, of those EGSs identified in the first test, EGSs whose average price charged over the same twelve-month period exceeds 150% of the average price-to-compare for the prior 12-month period. For those EGSs identified by both prongs of the test, the annual clawback charge assessed beginning September 2016 and annually thereafter, would be the difference between that EGS's actual write-offs and 200% of the average EGS percentage of write-offs per operating company. The Company will bill the EGS for this charge in accordance with Section 12.2.
- (h) **Customer Refunds:** A EGS refund will only be credited through the Companies' billing system after an EGS obtains the consent of a residential customer: (a) who is billed as part of the Companies' POR; and (b) to whom the EGS is willing to issue a refund to resolve a PaPUC formal or informal individual customer complaint; and (c) where the customer has an outstanding arrearage, owed to one of the Companies, that is associated with the dispute that is the subject of the informal or formal PaPUC complaint. The EGS will use good faith efforts to remit the refund directly to the EDC to offset any arrearages on the customer's account associated with the disputed amount. If the customer does not agree to have the refund remitted directly to the EDC, the EGS will remit payment to the customer and encourage the customer to address the outstanding arrearage directly with the EDC.

13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

- 13.1 Notice of Withdrawal to the Company.** An EGS shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the EGS from Competitive Retail Electric Service within a Rate District in a manner consistent with the PaPUC's rulings in Docket No. M-00960890F.0013, and any subsequent applicable PaPUC rulings.
- 13.2 Notice to Customers.** An EGS shall provide notice to its Customers of withdrawal by the EGS from Competitive Retail Electric Service in accordance with the PaPUC's rulings in Docket No. M-00960890F.0013 and any subsequent applicable PaPUC rulings.

13.3 Costs for Noncompliance. An EGS that withdraws from retail service and fails to provide at least ninety (90) days written notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

- (a) mailings by the Company to the EGS's Customers to inform them of the withdrawal and their options;
- (b) non-standard/manual bill calculation and production performed by the Company;
- (c) EGS data transfer responsibilities that must be performed by the Company;
- (d) charges or penalties imposed on the Company by PJM or other parties resulting from EGS non-performance; and
- (e) any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal.

14. EGS'S DISCONTINUANCE OF SERVICE TO PARTICULAR CUSTOMERS

14.1 Notice of Discontinuance to the Company. An EGS shall provide electronic notice to the Company in a form specified by the Company of all intended discontinuance of service to a Customer in a manner consistent with applicable PaPUC rules, regulation or orders.

14.2 Notice to Customers. An EGS shall provide advanced notice to a Customer of withdrawal by the EGS from provision of Competitive Retail Electric Service to such customer in accordance with the PaPUC's rules, regulations or orders.

14.3 Effective Date of Discontinuance. Any discontinuance of Competitive Retail Electric Service to a Customer will be effective only on a Meter Read Date and in accordance with the EGS switching rules in this Tariff and the EDC Tariff.

15. LIABILITY

- 15.1 General Limitation on Liability.** The Company shall have no duty or liability with respect to Competitive Energy Supply before it is delivered by an EGS to an interconnection point with the PJM Control Area. After its receipt of Competitive Energy Supply at the point of delivery, the Company shall have the same duty and liability for transmission and distribution service to those Customers receiving Competitive Energy Supply as to those receiving electric energy and capacity from the Company.
- 15.2 Limitation on Liability for Service Interruptions and Variations.** The Company does not guarantee continuous, regular and uninterrupted supply of service to an EGS's Customers. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.
- 15.3 Additional Limitations on Liability in Connection with Direct Access.** Except as provided in this Tariff, the Company shall have no duty or liability to an EGS providing Competitive Retail Electric Service arising out of or related to a contract or other relationship between an EGS and a Customer of the EGS.

The Company shall implement Customer selection of an EGS consistent with applicable rules of the Commission and this Tariff and shall have no liability to an EGS providing Competitive Retail Electric Service arising out of or related to switching EGSs, unless and to the extent that the Company is negligent in switching or failing to switch a Customer.

16. BREACH OF COORDINATION OBLIGATIONS

16.1 Breach of Obligations. The Company or an EGS shall be deemed to be in breach of its Coordination Obligations under the Coordination Agreement and this Tariff upon its failure to observe any material term or condition of this Tariff, including any Rule and Regulation or Charge.

16.2 Events of Breach. A material breach of Coordination Obligations hereunder, as described in Rule 16.1, shall include, but is not limited to, the following:

- (a) a breach of any Rule or Regulation of the Tariff;
- (b) an EGS's failure to maintain its license or certification as an Electric Generation Supplier or electricity supplier from the PaPUC or registration with the Company;
- (c) an EGS's failure to make payment of any undisputed Coordination Services Charges in the time prescribed;
- (d) an EGS's failure to make payment of an undisputed charged billed by PJM relative to the PJM Tariff;
- (e) the involuntary bankruptcy/insolvency of the EGS, including but not limited to, the appointment of a receiver, liquidator or trustee of the EGS, or a decree by such a court adjudging the EGS bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the EGS; or
- (f) an EGS's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or without limiting the generality of the foregoing, an EGS admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

16.3 Cure and Default. If either the Company or an EGS materially breaches any of its Coordination Obligations (hereinafter the "Breaching Party"), the other party (hereinafter the "Non-Breaching Party") shall provide the Breaching Party a written notice describing such breach in reasonable detail and demanding its cure.

16.3.1 Met-Ed, Penelec and Penn Power The Breaching Party shall be deemed to be in default ("Default") of its obligations under this Tariff and the Coordination Agreement if: (i) it fails to cure its breach within thirty (30) days after its receipt of such notice; or (ii) the breach cannot be cured within thirty (30) days and the Breaching Party does not commence action to cure the breach within that period and thereafter diligently pursues such action to completion, providing that in no account shall the cure period exceed ninety (90) days.

16.3.2 West Penn. The Breaching Party shall be deemed to be in Default of its obligations under the EGS Tariff and the Individual Coordination Agreement if: (a) it fails to cure its breach within five (5) days after its receipt of such notice; or (b) the breach cannot be cured within such period and the Breaching Party does not commence action to cure the breach within said period and thereafter diligently pursues such action to completion.

16.4 Rights Upon Default. Notwithstanding anything stated herein, upon the occurrence of any Default, the party not in Default shall be entitled to (i) commence an action to require the party in Default to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (ii) exercise such other rights and remedies as it may have in equity or at law.

Upon the occurrence of any such Default, the Company may, at any time, declare any amount owing to be immediately due and payable. Such amount will thereupon be immediately due and payable, without presentment, demand, protest, notice of protest or other notice of any kind, all of which are hereby expressly waived by the EGS. In case any one or more of the Events of Breach shall happen and be continuing, the Company may proceed to protect and enforce its rights by suit in equity, action at law or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Tariff or in aid of the exercise of any power granted in this Tariff or may proceed to enforce any other legal right which the Company may have, all of which it hereby expressly reserves.

16.5 Rights, Remedies, or Powers. All rights, remedies, or powers hereby conferred upon the Company will, to the extent not prohibited by law, be deemed cumulative and not exclusive of any other thereof, or any other rights, remedies or powers available to the Company. No delay or omission of the Company to exercise any right, remedy, or power will impair any such right, remedy or power or will be construed to be a waiver of an Event of Breach or an acquiescence therein. Any right, remedy or power conferred upon the Company hereunder may be exercised from time to time, independently or concurrently, and as often as it shall deem expedient. No waiver of any Event of Breach by the Company will extend to or will affect any subsequent Event of Breach or. No single or partial exercise of any right, remedy or power by the Company will preclude further exercise thereof by the Company. Acceptance by the Company of partial payments will not constitute a waiver by the Company of any rights or remedies the Company may otherwise have.

17. TERMINATION OF INDIVIDUAL COORDINATION AGREEMENT

17.1 Termination. A Coordination Agreement will or may be terminated as follows:

- (a) **Withdrawal of the EGS from Retail Service.** In the event the EGS ceases to participate in or otherwise withdraws the provision of Competitive Energy Supply to Customers in the applicable Rate District, the Individual Coordination Agreement between the EGS and the Company shall terminate thirty (30) days following the date on which the EGS has no more active Customers.
- (b) **The Company's Termination Rights Upon Default by EGS.** In the event of a Default by the EGS, the Company may terminate the Coordination Agreement between the EGS and the Company by providing written notice to the EGS in Default, without prejudice to any remedies at law or in equity available to the party not in Default by reason of the Default.

17.2 Effect of Termination. Termination of Coordination Agreements will have the same effect on an EGS's Customers as the EGS's discontinuance of supply to such Customers. If a Customer of a terminated EGS has not switched to another EGS prior to termination, said Customer will receive Default Service (as stated in the EDC Tariff) pending the Customer's selection of another EGS.

17.3 Survival of Obligations. Termination of an Individual Coordination Agreement for any reason shall not relieve the Company or an EGS of any obligation accrued or accruing prior to such termination.

18. ALTERNATIVE DISPUTE RESOLUTION

- 18.1 Informal Resolution of Disputes.** The Company and EGS shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff and/or the conduct of Coordination Activities hereunder. The EGS's point of contact for all information, operations, questions, and problems regarding Coordination Activities shall be the Company's Supplier Support Group.
- 18.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and an EGS under this Tariff or 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 referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 18.3 External Arbitration Procedures.** If the amount in dispute is \$500,000 or less, the arbitration initiated under the Tariff or any 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 neutral arbitrator who shall sit on a three-member arbitration panel. The two 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.

18.4 Arbitration Decisions. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any individual Coordination Agreement and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms and conditions of service or facilities.

18.5 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
- (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.

18.6 Rights Under the Federal Power Act. Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the Federal Power Act.

18.7 Rights Under The Pennsylvania Public Utility Code. Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

19. MISCELLANEOUS

- 19.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the other party at the addresses stated in the notice section of the Coordination Agreement. If given by electronic transmission (including fax or email), notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and an EGS may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 19.2 No Prejudice of Rights.** The failure by either the Company or the EGS to enforce any of the terms of this Tariff or any individual Coordination Agreement shall not be deemed a waiver of the right of either to do so.
- 19.3 Assignment.**
- 19.3.1** An individual Coordination Agreement hereunder may not be assigned by either the Company or the EGS without (a) any necessary regulatory approval and (b) the prior written consent of the other party, which consent shall not be unreasonably withheld.
- 19.3.2** Any assignment occurring in accordance with Rule 19.3.1 hereunder shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Coordination Agreement.
- 19.4 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Tariff or any Coordination Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

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

If at any time during the term of the Tariff or any Coordination Agreement, FERC, the PaPUC or a court of competent jurisdiction issues an order under which a party hereto believes that its rights and/or interests under the Coordination Agreement are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights and/or interests in the Coordination Agreement. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue. If the parties are unable to resolve the issue within thirty (30) days from the commencement of negotiations, either party may at the close of said thirty (30) day period terminate the Coordination Agreement, subject to any applicable regulatory requirements, following an additional thirty (30) days prior written notice to the other party without any liability or responsibility whatsoever except for obligations arising prior to the date of service termination.

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

TECHNICAL SUPPORT AND ASSISTANCE CHARGE

AVAILABILITY/APPLICABILITY

Technical Support and Assistance is defined as support and assistance that may be provided by the Company to a licensed EGS in connection with questions raised, and research requests, by the EGS in support of its energy supply business. The Company is under no obligation to provide any such support and assistance, with the exception of the services described in the “Conditions” section below. Such support and assistance for which the charge applies is categorized in three general areas:

1. Explanation of the Company's communications related to information posted to the website and /or sent via the Supplier Support e-mail address;
2. Manual verification and confirmation of Customer account data beyond the information and messages available through the standard automated process; and
3. Explanation and definition of the Company's filings, PaPUC rulings and FERC orders.

Such Technical Support and Assistance may include time spent by Company personnel conducting research in connection with an EGS inquiry.

CHARGE

\$53.00 per hour and billed in one minute intervals.

CONDITIONS

There will be no time recorded against an EGS in connection with inquiries covering required business interactions, specifically:

1. Load profiling and Energy scheduling;
2. Standard automated processing of EGS data files by the Company;
3. Website availability and access; and
4. Erroneous data communicated by the Company via NAESB, other Internet address and the Company's website

COORDINATION AGREEMENT

1.0 This Coordination Agreement (“Agreement”), dated as of _____
_____ is entered into, by and between FirstEnergy Pennsylvania Electric
Company (the “Company”)

and _____ (Electric Generation Supplier or “EGS”) for the selected Rate
District (s) below:

| Rate District | Select |
|----------------------|---------------|
| Met-Ed | |
| Penelec | |
| Penn Power | |
| West Penn | |

2.0. The Company agrees to supply, and the EGS agrees to have the Company supply for the applicable Rate District, all “Coordination Services” specified in the Electric Generation Supplier Coordination Tariff (“Tariff”). Both Parties agree that such services are necessary to coordinate the delivery of Competitive Energy Supply to Customers located within the applicable Rate District .

3.0 Representations and Warranties.

(a) The EGS hereby represents, warrants and covenants as follows:

(i) The EGS is in compliance, and will continue to comply, with all obligations, rules and regulations, as established and interpreted by the PJM Tariff, and/or any PJM-related FERC orders that are applicable to the EGS’s serving Customers located in the FirstEnergy System; and

- (ii) The EGS is licensed by the PaPUC to provide Competitive Energy Supply to Customers in Pennsylvania and has and will continue to satisfy all other PaPUC requirements applicable to EGSs.
- (b) The Company and the EGS, individually referred to hereafter as the “Party,” each represents, warrants and covenants as follows:
 - (i) Each Party’s performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party’s charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.
 - (ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors’ rights generally or by general principles of equity.

4.0 The EGS shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the EGS learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.

5.0 As consideration for Coordination Services provided by the Company, the EGS shall pay the Company those Coordination Services Charges billed to the EGS in accordance with the terms and conditions of the Tariff.

6.0 Coordination Services between the Company and the EGS will commence on

_____.

7.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To FIRSTENERGY/ FirstEnergy Pennsylvania Electric Company:

Supervisor, Supplier Services
FirstEnergy- FirstEnergy Pennsylvania Electric Company
76 S. Main Street
Akron OH, 44308
Phone (330) 761-4348 Fax (330) 315-8664

To the EGS:

Telephone: _____

Facsimile: _____

8.0 The Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the Tariff.

IN WITNESS WHEREOF, and intending to be legally bound thereby, FirstEnergy Pennsylvania

Electric Company and the EGS identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

FirstEnergy Pennsylvania Electric Company

By: _____
Signature

Print or Type Name

Title

Date

EGS COMPANY NAME

By: _____
Signature

Print or Type Name

Title

Date

Scheduling Coordinator Designation Form

All scheduling must follow PJM's procedures.

APPENDIX A

Responsibilities for PJM Billing Line Items as Defined Applicable PJM Agreement or Manual

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|--|----------------------|-----|
| | | EDC | EGS |
| 1100 | Network Integration Transmission Service | | X |
| 1102 | Network Integration Transmission Service (exempt) | | X |
| 1104 | Network Integration Transmission Service Offset | | X |
| 1108 | Transmission Enhancement | X | |
| 1110 | Direct Assignment Facilities | | X |
| 1115 | Transmission Enhancement Settlement (EL05-121-009) | X | |
| 1120 | Other Supporting Facilities | | X |
| 1130 | Firm Point-to-Point Transmission Service | | X |
| 1133 | Firm Point-to-Point Transmission Service Resale Charge | | X |
| 1140 | Non-Firm Point-to-Point Transmission Service | | X |
| 1143 | Non-Firm Point-to-Point Transmission Service Resale Charge | | X |
| 1200 | Day-ahead Spot Market Energy | | X |
| 1205 | Balancing Spot Market Energy | | X |
| 1210 | Day-ahead Transmission Congestion | | X |
| 1215 | Balancing Transmission Congestion | | X |
| 1218 | Planning Period Congestion Uplift | | X |
| 1220 | Day-ahead Transmission Losses | | X |
| 1225 | Balancing Transmission Losses | | X |
| 1230 | Inadvertent Interchange | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|---|----------------------|-----|
| | | EDC | EGS |
| 1240 | Day-ahead Economic Load Response | | X |
| 1241 | Real-time Economic Load Response | | X |
| 1245 | Emergency Load Response | | X |
| 1250 | Meter Error Correction | | X |
| 1260 | Emergency Energy | | X |
| 1301 | PJM Scheduling, System Control and Dispatch Service – Control Area Administration | | X |
| 1302 | PJM Scheduling, System Control and Dispatch Service – FTR Administration | | X |
| 1303 | PJM Scheduling, System Control and Dispatch Service –Market Support | | X |
| 1304 | PJM Scheduling, System Control and Dispatch Service – Regulation Market Administration | | X |
| 1305 | PJM Scheduling, System Control and Dispatch Service – Capacity Resource/Obligation Mgmt. | | X |
| 1306 | PJM Scheduling, System Control and Dispatch Service – Advanced Second Control Center | | X |
| 1308 | PJM Scheduling, System Control and Dispatch Service Refund – Control Area Administration | | X |
| 1309 | PJM Scheduling, System Control and Dispatch Service Refund – FTR Administration | | X |
| 1310 | PJM Scheduling, System Control and Dispatch Service Refund – Market Support | | X |
| 1311 | PJM Scheduling, System Control and Dispatch Service Refund –Regulation Market Administration | | X |
| 1312 | PJM Scheduling, System Control and Dispatch Service Refund – Capacity Resource/Obligation Mgmt. | | X |
| 1314 | Market Monitoring Unit (MMU) Funding | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|---|----------------------|-----|
| | | EDC | EGS |
| 1315 | FERC Annual Charge Recovery | | X |
| 1316 | Organization of PJM States, Inc. (OPSI) Funding | | X |
| 1317 | North American Electric Reliability Corporation (NERC) | | X |
| 1318 | Reliability First Corporation (RFC) | | X |
| 1320 | Transmission Owner Scheduling, System Control and Dispatch Service | | X |
| 1330 | Reactive Supply and Voltage Control from Generation and Other Sources Service | | X |
| 1340 | Regulation and Frequency Response Service | | X |
| 1350 | Energy Imbalance Service | | X |
| 1360 | Synchronized Reserve | | X |
| 1365 | Day-ahead Scheduling Reserve | | X |
| 1370 | Day-ahead Operating Reserve | | X |
| 1371 | Day-ahead Operating Reserve for Load Response | | X |
| 1375 | Balancing Operating Reserve | | X |
| 1376 | Balancing Operating Reserve for Load Response | | X |
| 1377 | Synchronous Condensing | | X |
| 1378 | Reactive Services | | X |
| 1380 | Black Start Service | | X |
| 1400 | Load Reconciliation for Spot Market Energy | | X |
| 1410 | Load Reconciliation for Transmission Congestion | | X |
| 1420 | Load Reconciliation for Transmission Losses | | X |
| 1430 | Load Reconciliation for Inadvertent Interchange | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|--|----------------------|-----|
| | | EDC | EGS |
| 1440 | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service | | X |
| 1441 | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund | | X |
| 1445 | Load Reconciliation for FERC Annual Charge Recovery | | X |
| 1446 | Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding | | X |
| 1447 | Load Reconciliation for North American Electric Reliability Corporation (NERC) | | X |
| 1448 | Load Reconciliation for Reliability First Corporation (RFC) | | X |
| 1450 | Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service | | X |
| 1460 | Load Reconciliation for Regulation and Frequency Response Service | | X |
| 1470 | Load Reconciliation for Synchronized Reserve | | X |
| 1475 | DASR Load Reconciliation | | X |
| 1478 | Load Reconciliation for Operating Reserve | | X |
| 1480 | Load Reconciliation for Synchronous Condensing | | X |
| 1490 | Load Reconciliation for Reactive Services | | X |
| 1500 | Financial Transmission Rights Auction | | X |
| 1600 | RPM Auction | | X |
| 1610 | Locational Reliability | | X |
| 1650 | Non-Unit Specific Capacity Transaction | | X |
| 1660 | Demand Resource and ILR Compliance Penalty | | X |
| 1661 | Capacity Resource Deficiency | | X |
| 1662 | Generation Resource Rating Test Failure | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|--|----------------------|-----|
| | | EDC | EGS |
| 1663 | Qualifying Transmission Upgrade Compliance Penalty | | X |
| 1664 | Peak Season Maintenance Compliance Penalty | | X |
| 1665 | Peak-Hour Period Availability | | X |
| 1710 | PJM/MISO Seams Elimination Cost Assignment | | X |
| 1720 | RTO Start-up Cost Recovery | | X |
| 1730 | Expansion Cost Recovery | X | |
| 1900 | Unscheduled Transmission Service | | X |
| 1910 | Ramapo Phase Angle Regulators | | X |
| 1920 | Station Power | | X |
| 1930 | Generation Deactivation and RMR Generating Unit Declarations Before July 24, 2014, the date of the PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. (ME) P-2013-2391368, (PN) P-2013-2391372, (PP) P-2013-2391375, (WP) P-2013-2391378 | | X |
| 1930 | Generation Deactivation and RMR Generating Unit Declarations After July 24, 2014, the date of the PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos.(ME) P-2013-2391368, (PN) P-2013-2391372, (PP) P-2013-2391375, (WP) P-2013-2391378 | X | |
| 1950 | Virginia Retail Administrative Fee | | X |
| 1980 | Miscellaneous Bilateral | | X |
| 1995 | PJM Annual Membership Fee | | X |
| 2100 | Network Integration Transmission Service | | X |
| 2102 | Network Integration Transmission Service (exempt) | | X |
| 2104 | Network Integration Transmission Service Offset | | X |
| 2106 | Non-Zone Network Integration Transmission Service | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|---|----------------------|-----|
| | | EDC | EGS |
| 2108 | Transmission Enhancement | X | |
| 2110 | Direct Assignment Facilities | | X |
| 2120 | Other Supporting Facilities | | X |
| 2130 | Firm Point-to-Point Transmission Service | | X |
| 2132 | Internal Firm Point-to-Point Transmission Service | | X |
| 2133 | Firm Point-to-Point Transmission Service Resale Credit | | X |
| 2140 | Non-Firm Point-to-Point Transmission Service | | X |
| 2142 | Internal Non-Firm Point-to-Point Transmission Service | | X |
| 2143 | Non-Firm Point-to-Point Transmission Service Resale Credit | | X |
| 2210 | Transmission Congestion | | X |
| 2217 | Planning Period Excess Congestion | | X |
| 2218 | Planning Period Congestion Uplift | | X |
| 2220 | Transmission Losses | | X |
| 2240 | Day-ahead Economic Load Response | | X |
| 2241 | Real-time Economic Load Response | | X |
| 2245 | Emergency Load Response | | X |
| 2260 | Emergency Energy | | X |
| 2320 | Transmission Owner Scheduling, System Control and Dispatch Service | | X |
| 2330 | Reactive Supply and Voltage Control from Generation and Other Sources Service | | X |
| 2340 | Regulation and Frequency Response Service | | X |
| 2350 | Energy Imbalance Service | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|--|----------------------|-----|
| | | EDC | EGS |
| 2360 | Synchronized Reserve | | X |
| 2365 | Day-ahead Scheduling Reserve | | X |
| 2370 | Day-ahead Operating Reserve | | X |
| 2371 | Day-ahead Operating Reserve for Load Response | | X |
| 2375 | Balancing Operating Reserve | | X |
| 2376 | Balancing Operating Reserve for Load Response | | X |
| 2377 | Synchronous Condensing | | X |
| 2378 | Reactive Services | | X |
| 2380 | Black Start Service | | X |
| 2420 | Load Reconciliation for Transmission Losses | | X |
| 2500 | Financial Transmission Rights Auction | | X |
| 2510 | Auction Revenue Rights | | X |
| 2600 | RPM Auction | | X |
| 2620 | Interruptible Load for Reliability | | X |
| 2630 | Capacity Transfer Rights | | X |
| 2640 | Incremental Capacity Transfer Rights | | X |
| 2650 | Non-Unit Specific Capacity Transaction | | X |
| 2660 | Demand Resource and ILR Compliance Penalty | | X |
| 2661 | Capacity Deficiency Resource | | X |
| 2662 | Generation Resource Rating Test Failure | | X |
| 2663 | Qualifying Transmission Upgrade Compliance Penalty | | X |

| Charge ID # | PJM Billing Statement Line Items | Responsible Party ** | |
|-------------|--|----------------------|-----|
| | | EDC | EGS |
| 2664 | Peak Season Maintenance Compliance Penalty | | X |
| 2665 | Peak-Hour Period Availability | | X |
| 2710 | PJM/MISO Seams Elimination Cost Assignment | | X |
| 2720 | RTO Start-up Cost Recovery | | X |
| 2730 | Expansion Cost Recovery | X | |
| 2910 | Ramapo Phase Angle Regulators | | X |
| 2930 | Generation Deactivation and RMR Generating Unit Declarations Before July 24, 2014, the date of the PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. (ME) P-2013-2391368, (PN) P-2013-2391372, (PP) P-2013-2391375, (WP) P-2013-2391378 | | X |
| 2930 | Generation Deactivation and RMR Generating Unit Declarations After July 24, 2014, the date of the PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. (ME) P-2013-2391368, (PN)P-2013-2391372, (PP) P-2013-2391375, (WP) P-2013-2391378 | X | |
| 2950 | Virginia Retail Administrative Fee | | X |
| 2980 | Miscellaneous Bilateral | | X |
| 2996 | Annual PJM Cell Tower | | X |
| 2997 | Annual PJM Building Rent | | X |

** Any PJM fees or charges not specifically identified as being the responsibility of the EDC shall be the responsibility of the EGS. Line Items 2100, 2102, and 2104 are Transmission Owner Revenues.

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

Third Party Data Access Tariff

Company Office Location

2800 Pottsville Pike
P. O. Box 16001
Reading, Pennsylvania 19612

Issued: XX XX, XXXX

Effective: XX XX, XXXX

Samuel L. Belcher, President

NOTICE

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Table of Contents..... | 3 |
| How to Use Loose-Leaf Tariff..... | 4 |
| Definition of Terms and Explanation of Abbreviations. | 5 |
| RULES AND REGULATIONS: | |
| 1. The Tariff..... | 7 |
| 2. Scope and Purpose of Tariff | 8 |
| 3. Commencement of Service | 9 |
| 4. Terms of Service | 10 |
| 5. Data Request and Release Process..... | 12 |
| 6. Confidentiality of Information..... | 14 |
| 7. Payment and Billing..... | 15 |
| 8. Liability..... | 16 |
| 9. Termination of Service | 17 |
| 10. Alternative Dispute Resolution..... | 18 |
| 11. Miscellaneous | 20 |
| APPENDIX | |
| Data Access Registration Form | 21 |
| Customer Authorization Form..... | 22 |

HOW TO USE LOOSE-LEAF TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as “original page,” consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1 for example: “Original Page No. 2,” “Original Page No. 3,” etc.
2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as “First Revised Page No....,” the second time as “Second Revised Page No....,” etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as “First Revised Page No. 2, superseding Original Page No. 2”; and the added page would be issued as “Original Page No. 2A.” If a second added page should be required, it would be issued as “Original Page No. 2B.” Subsequent reprints will be consecutively designated as “First Revised...,” “Second Revised...,” etc.
5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked “See following page for pending revision.” On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Aggregated Customer Data – information pertaining to retail customers that has been (a) assembled with specific retail customer identifiers including, but not limited to, name, address, and electric service account number omitted from the assembled information and (b) subjected to analysis functions to develop summation average or other analytical statistics, or both, for specific groups of retail customers in a manner that precludes the determination of the individual identities of the retail customer to which such information pertains.

Anonymous Customer Data – information pertaining to retail customers that has been assembled with specific retail customer identifiers including, but not limited to, name, address, and electric service account number omitted from the assembled information.

AMI Interval Data – electric demand and energy usage that are measured over specific consistent incremental time periods by advanced metering infrastructure (“AMI”) metering facilities provided by the Company at a retail customer’s premises and that may or may not be subject to the Company’s validation, editing, and estimation (“VEE”) processes or directly used for the purposes of determining the amounts owed by such retail customer for electric services.

Charges – all charges stated in the “Charges” section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for service performed hereunder.

Company – FirstEnergy Pennsylvania Electric Company.

Competition Act – the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

Conservation Service Provider – an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership, or other affiliated interest with an electric distribution company (66 Pa.C.S. § 2806.1.(m)).

Curtailed Service Provider – a PJM member or a special member, which action on behalf of itself or one or more other members or non-members, participates in the PJM Interchange Energy Market, Ancillary Services markets, Reliability Pricing Model, or any combination thereof by causing a reduction in demand.

Customer – a retail electric customer as defined in the Competition Act.

Definitions (Continued)

Customer Data – information pertaining to retail customers, including AMI Interval Data and customer account information, such as customer address, contact information, payment history, account number, and amount billed.

Electric Distribution Company (or “EDC”) – shall have the meaning set forth in the Competition Act.

EDC Tariff – the Company’s current PaPUC approved Electric Service Tariff.

Electric Generation Supplier – any person, corporation, or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission, and ancillary services to Customers in the Company’s service territory under and pursuant to the Competition Act.

Electronic Data Interchange (“EDI”) – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

FERC – the Federal Energy Regulatory Commission.

FirstEnergy Corp. (“FirstEnergy”) – the parent company of FirstEnergy Pennsylvania Electric Company.

Market Participant – has the same meaning as set forth in the PJM Tariff.

PaPUC (or “Commission”) – the Pennsylvania Public Utility Commission.

PJM – the regional transmission organization operated by PJM Interconnection, L.L.C., or its successor.

PJM Tariff – the PJM Open Access Transmission Tariff, including schedules and exhibits.

Rate District – Met-Ed (“ME”), Penelec (“PN”), Penn Power (“PP”) or West Penn (“WP”).

Tariff – Third-Party Data Access Tariff.

Third Party – a Conservation Service Provider or a Curtailment Service Provider.

RULES AND REGULATIONS

1. THE TARIFF

- 1.1 Filing and Posting.** A copy of this Tariff is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website www.firstenergycorp.com.
- 1.2 Revisions.** Subject to Section 2.3, this Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all Third Parties seeking to obtain Customer Data pertaining to Customers located in the Company's service territory. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of service in addition to any other remedies available to the Company.
- 1.4 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff defines the circumstances and terms and conditions under which the Company provides or makes available retail Customer Data to a Third Party.
- 2.2 Relationship of the Company, Customer, and Third Party.** The Company provides electric service to a Customer in accordance with the EDC Tariff. Through the course of providing this service the Company obtains, compiles, and stores Customer Data.
- 2.2.1** A Third Party must be authorized by a Customer to obtain data specific to such Customer from the Company. The Company must provide or make available, or both, such data to such Third Party subject to the terms, conditions, and limitations set forth in this Tariff.
- 2.2.2** The Company is not a party to the manner in which data are utilized by a Third Party and is not bound by any term, condition, or provision of any program or process employed by a Third Party in its utilization of such data. Any contractual arrangement to which a Third Party and Customer are parties is not part of this Tariff or the EDC Tariff. The Company is not a party to any such contractual arrangement between a Third Party and a Customer and is not bound by any term, condition, or provision of such an agreement.
- 2.2.3** A Third Party is not an agent of the Company. A Third Party has no authority to enter into any agreement on behalf of the Company; to amend, modify, or alter any of the Company's tariffs, contracts, or procedures; or to bind the Company by making any promises, representations, or omissions.
- 2.2.4** A Third Party has no authority to enter into any agreement pertaining to a Customer's electric service on behalf of such Customer or to modify or alter any such agreement on behalf of the Customer, or to bind the Customer by making any promises, representations, or omissions pertaining to such agreement.
- 2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), as amended, or any rule, regulation, order, or determination of FERC under the FPA, then such 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 FERC under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

3. COMMENCEMENT OF SERVICE

- 3.1 Prerequisites of Service.** Before commencing service hereunder, a Third Party must comply with the following prerequisites of service.
- 3.1.1** A Third Party must submit a completed registration form to the Company that acknowledges and accepts the Terms of Service set forth in Section 4 of this Tariff.
 - 3.1.2** A Third Party must demonstrate that it can meet all applicable continuing obligations described in Section 4 of this Tariff.
 - 3.1.3** A Third Party must have and demonstrate through the completion of any applicable Company testing program the ability to electronically access or retrieve, or both, data the Company provides or makes available, or both, in accordance with the Company's practices, procedures, and systems employed to provide or make available, or both, such data.
- 3.2 Incomplete Registrations.** In the event the Third Party submits an incomplete registration, the Company shall provide written notice to the Third Party of the registration's deficiencies within five (5) business days after the date of service of the registration. The Company will not process an incomplete application until the Third Party corrects the deficiencies and delivers a completed registration to the Company.
- 3.3 Commencement of Service.** Service hereunder shall commence within five (5) business days after the Company's acceptance of Third Party's complete registration provided that all of the information necessary for the Company to provide service hereunder has been submitted to the Company and any conditions established under Section 3 have been satisfied by the Third Party.

4. TERMS OF SERVICE

4.1 Third Party Continuing Obligations. The Third Party must continue to abide by the prerequisites of service of this Tariff, as applicable. In order to access or retrieve, or both, data specific to a Customer, the Third Party must accept the following terms of service:

- (a) The Third Party must obtain and maintain appropriate authorization from the Customer to access or retrieve, or both, data specific to the Customer, with such authorization documented in writing or electronically using the standard form set forth in Appendix B. If an authorization obtained by a Third Party from a Customer that allows such Third Party to access or retrieve, or both, data specific to such Customer expires or is revoked for any reason, the Third Party must no longer request access to or retrieve, or both, such data.
- (b) The Third Party will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.
- (c) The Third Party acknowledges that any data specific to a Customer that it accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.
- (d) The Third Party agrees that data specific to a Customer must not be sold or licensed to any other entity for any purpose.
- (e) The Third Party agrees to indemnify, defend, and hold harmless the Company from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of such Third Party in connection with the performance of its obligations under this Tariff, (ii) such Third Party's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by a Third Party of its representations and promises.

4.2 Disclosure of Information Without Customer Authorization. Customer authorization is not required for a Third Party to access or retrieve, or both, Aggregated Customer Data or Anonymous Customer Data, or both, as described in Section 5 of this Tariff.

4.3 Company Continuing Obligations. For a situation in which the Company must provide or make available, or both, to a Third Party data specific to a Customer as described in Section 5.1.1 of this Tariff, such data must be provided or made available, or both, within one business day after the Company determines the data are available for the Customer, provided the Third Party is in compliance with applicable provisions in Section 3.1 of this Tariff and submits a request for such data prior to 5:00 p.m. Eastern Prevailing Time on the previous business day. The Company is not required to provide or make available, or both, revisions to data after such data are provided or made available, or both, to a Third Party in accordance with the provisions of this Tariff. In the event a Customer notifies the Company that a Third Party's authorization to access data specific to such Customer is terminated or revoked, the Company must terminate such Third Party's

further access to Customer Data under this Tariff within 5 business days after receiving such notification from the Customer.

- 4.4 Charges.** As applicable, charges are assessed by the Company for data provided or made available, or both, to such Third Party in accordance with the provisions of Section 5.2 of this Tariff. With respect to each request to access or retrieve, or both, Customer Data that is not available through standard automated processes, the Company will assess the requesting Third Party a charge of \$53 per hour, which will be billed by the Company in one-minute intervals.

5. DATA REQUEST AND RELEASE PROCESS

- 5.1 Data Options.** A Third Party may access Customer Data in accordance with one or more of the following options, as applicable, provided such Third Party complies with applicable provisions in Section 4.1.
- 5.1.1 Individual Customer Data.** As authorized by a Customer, a Third Party may access the data that is available for such Customer, including, but not limited to, usage for up to twelve consecutive months, load profile, rate class, peak load contribution, and network system peak load, via EDI or through a secure portion of the Company's website.
- 5.1.2 Aggregated and Anonymous Customer Data.** A Third Party may request access to Aggregated Customer Data and Anonymous Customer Data as described in Section 5.2.
- 5.2 Requests for Aggregated and Anonymous Customer Data.** A Third Party requesting Aggregated or Anonymous, or both, Customer Data will do so by submitting to the Company a data request through a secure portion of the Company's website that contains fields for the following information:
- (a) Name, address, phone, and email address of the Third Party requesting the data;
 - (b) A description of the data requested and to be released;
 - (c) A statement of the purpose for which the data will be used by the Third Party; and
 - (d) A description of the time period for the data to be disclosed (e.g., twelve months of historical data).
- 5.3 Company Response to Requests for Aggregated and Anonymous Customer Data.** Following the submission of a request for data by a Third Party in accordance with Section 5.2 of this Tariff, the Company will:
- (a) Confirm receipt of the request within three business days of receiving a request for data from a Third Party;
 - (b) Respond within three business days of receiving a request for data from a Third Party as to whether any additional information is required for the Company to process the request;
 - (c) Inform Third Party within ten business days of receiving a completed request for data as to whether it is able to grant the request and provide a proposed schedule for providing the requested data. If the Company responds that it cannot grant access to the requested data, it will provide specific reasons for why it cannot provide the data or offer other options for providing data access; and

(d) Notify the requesting Third Party of the data transmission and security requirements.

5.4 Standardized Data Output and Delivery. All data outputs will be in standard formats. Data will be accessible in specified formats such as XML or other agreed-upon formats. The Company will provide data through EDI or on a secure server on the Company's website where the requestor will retrieve it.

6. CONFIDENTIALITY OF INFORMATION

- 6.1 Generally.** All confidential or proprietary information made available by one party to the other in connection with the registration by a Third Party with the Company or the subsequent provision and receipt of Customer Data under this Tariff, or both, including, but not limited to, information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company receiving or providing Customer Data hereunder. Other than disclosures to representatives of the Company or Third Party for the purposes of enabling that party to fulfill its obligations under this Tariff, a party may not disclose confidential or proprietary information without the prior authorization or consent, or both, of the other party.
- 6.2 Customer Information.** The Third Party shall keep all Customer Data supplied by the Company confidential unless the Third Party has the Customer's written authorization to do otherwise.

7. PAYMENT AND BILLING

7.1 Third Party Payment of Obligations to the Company. A Third Party shall pay all Charges it incurs hereunder in accordance with the following provisions:

7.1.1 Billing Procedure. Each month, the Company shall submit an invoice to the Third Party reflecting all of the Charges assessed to it by the Company for all of the services provided to Third Party under this Tariff during the applicable billing period. The invoice may be transmitted to the Third Party by any reasonable method requested by the Third Party. A Third Party shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days from the date of transmittal of the bill.

7.1.2 Manner of Payment. The Third Party shall remit payment to the Company by wire transfer to a bank designated in Section 7.1.3 of this Tariff. If disputes arise regarding a Third Party bill, the Third Party must pay the undisputed portion of disputed bills under investigation.

7.1.3 Wire Transfer. Payment to the Company by the Third Party must be made by electronic wire transfer or such other means as will cause payment to be available for use by the Company on the due date. All payments shall be wire transferred to:

| | |
|---------------|-----------------------------|
| Bank: | JP Morgan Chase |
| ABA No.: | 021000021 |
| Account Name: | FirstEnergy Service Company |
| Account No.: | 323396364 |

7.1.4 Late Fee for Unpaid Balances. If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month of the unpaid balance.

8. LIABILITY

- 8.1 Limitations on Liability.** The Company is not liable for any act, omission, promise, or representation of any Third Party. To the extent that the Company receives a properly submitted request for applicable Customer Data and acts in accordance with the provisions of this Tariff, the Company is not liable for any conflict such actions may cause between a Third Party and a Customer. Although data provided or made available, or both, in accordance with the provision of this Tariff and produced and processed via Company systems and sources is considered to be reliable by the Company, no warranty expressed or implied is made regarding the accuracy adequacy, completeness, legality, reliability, or usefulness of any such data and applies to both the isolated and aggregated use of such data. The Company provides or makes available, or both, such data on an “as is” basis. All warranties of any kind expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, freedom from contamination or corruption of any kind, and noninfringement of proprietary rights are disclaimed.

9. TERMINATION OF SERVICE

9.1 Termination. A Third Party has the right to terminate service hereunder at any time, upon notification to the Company.

The Company will terminate service permanently to a Third Party who fails to abide by the provisions set forth in the Third Party Continuing Obligations section of this Tariff (i.e., Section 4.1).

Also, the Company has the right to terminate service hereunder to a Third Party if:

- (a) The Third Party fails to make timely payments to the Company, as required by Section 7 of this Tariff, to access or retrieve, or both, data provided to or made available to, or both, such Third Party in accordance with the provisions of this Tariff; or
- (b) The Third Party is determined by the PaPUC or applicable court of law to be responsible for fraudulent representation or activity in association with this Tariff, which includes, but is not limited to, the unauthorized access or retrieval, or both, of Customer Data;

9.2 Survival of Obligations. Termination of service hereunder for any reason shall not relieve the Company or a Third Party of any obligation accrued or accruing prior to such termination.

10. ALTERNATIVE DISPUTE RESOLUTION

- 10.1 Informal Resolution of Disputes.** The Company and Third Party shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff or the conduct of activities, or both, hereunder. The Third Party's point of contact for all information, operations, questions, and problems under this Tariff shall be the Company's Customer Data Access Group.
- 10.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and a Third Party under this Tariff 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 referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.3 External Arbitration Procedures.** The arbitration initiated under the Tariff 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. The arbitrator(s) chosen 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.
- 10.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms, and conditions of service or facilities.
- 10.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
 - (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.

- 10.6 Rights Under the FPA.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA.
- 10.7 Rights Under the Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

11. MISCELLANEOUS

- 11.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the Third Party at the address or email provided to the Company in its completed registration form and to the Company at the address on the first page of this Tariff or the email stated on the secure portion of the Company's website dedicated to requests for Customer Data. If given by electronic transmission, notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Third Party may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 11.2 No Prejudice of Rights.** The failure by either the Company or the Third Party to enforce any of the terms of this Tariff shall not be deemed a waiver of the right of either to do so.
- 11.3 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment, and termination of this Tariff shall be governed by the laws of the Commonwealth of Pennsylvania.

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

If at any time during the term of the Tariff, FERC, the PaPUC, or a court of competent jurisdiction issues an order under which a party hereto believes that its rights or interests, or both, under the Tariff are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights or interests. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue.

Appendix A
DATA ACCESS REGISTRATION FORM

| | |
|---|---|
| Name of Registrant: | D&B DUNS Number: |
| Please state whether Registrant is a Curtailment Service Provider or Conservation Service Provider: | Years in Business: URL for Registrant's Website: |
| Contact Name: | Title: |
| E-mail: | Phone: |
| Address: City: | State: Zip Code: |
| <p>To obtain or retrieve, or both, Customer Data maintained by Metropolitan Edison Company ("Met-Ed" or "Company"), Registrant must submit electronic requests via the secure portal available at http://www.firstenergycorp.com/third_party_data_access.html. Following submission of this completed registration form, the Company will provide Registrant a username and password to access the portal.</p> | |
| <p>The submission of this Registration Form to Met-Ed shall constitute the Registrant's acknowledgement and acceptance of all the terms, conditions, and requirements of the Third-Party Data Access Tariff approved by the Pennsylvania Public Utility Commission (the "Commission" or "PUC") at Docket Nos. P-2021-3030012 et al. (the "Tariff").</p> <p>By sending an electronic request for Customer Data to Met-Ed, Registrant represents and warrants that:</p> <ol style="list-style-type: none"> 1. Registrant has obtained valid and appropriate customer authorization to access or retrieve, or both, data specific to such customer. 2. Registrant will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules. 3. Any customer-specific data that Registrant accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes. 4. Any data specific to a Customer must not be sold or licensed to any other entity for any purpose. 5. Registrant agrees to indemnify, defend, and hold the Company harmless from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of Registrant in connection with the performance of its obligations under the Tariff, (ii) Registrant's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by Registrant of its representations and promises. | |
| <p>The undersigned represents and warrants that they have the authority to act on behalf of and to bind Registrant to perform the terms and conditions set forth herein.</p> | |
| Signature of Authorized Representative: | Date: |
| Name: | Title: |

Appendix B
CUSTOMER AUTHORIZATION FORM



Customer Letter of Authorization Form

(please complete one copy of this form for each electric distribution company)

We hereby authorize _____ to act on our behalf to secure historical electric usage information on an ongoing basis for the purpose of evaluating historical energy usage patterns and other relevant information for the provision of energy related services. This authorization will remain in effect for twenty-four (24) months or until we provide _____ with thirty (30) days advance written notice of termination of the authorization whichever is earlier. _____ will treat all historical electric usage information obtained under this authorization as confidential information.

This form must be completed in its entirety and signed by the customer of record or by someone who has power of attorney or other legal right to sign the customer's name on their behalf.

| | | |
|------------------------------------|----------------------|----------------------|
| SIGNED | | DATE |
| <input type="text"/> | | |
| PRINT NAME | | |
| <input type="text"/> | | |
| TITLE | | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| PHONE | FAX | EMAIL |
| <input type="text"/> | | |
| CUSTOMER LEGAL ENTITY NAME | | |
| <input type="text"/> | | |
| ADDRESS | | |
| <input type="text"/> | | |
| ELECTRIC DISTRIBUTION COMPANY NAME | | |

| |
|--|
| 20-DIGIT CUSTOMER NUMBER(S) (AS SHOWN ON PAGE 3 OF LATEST BILL) |
| <input type="text"/> |
| <input type="text"/> |
| <input type="text"/> |
| <input type="text"/> |
| <input type="text"/> |

PLEASE ATTACH CUSTOMER NUMBERS OR INCLUDE ELECTRONIC LIST IF REQUESTING MORE THAN 5 ACCOUNTS

Return this completed form and one utility bill for each electric distribution company account to your account representative at _____.

Curtailement Service Providers and Conservation Service Providers (Pennsylvania only) should return completed Customer Letter of Authorization forms to ThirdPartyAccess@firstenergycorp.com

Revised: 04/2022

Appendix B
Proposed Findings of Fact

APPENDIX B

PROPOSED FINDINGS OF FACT

1. Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), and West Penn Power Company (“West Penn”) (collectively, “Pennsylvania OpCos”) are corporations organized and existing under the laws of the Commonwealth of Pennsylvania. Joint Applicants St. No. 1 at 7.

2. Each of the Pennsylvania OpCos is a “public utility” as defined in Section 102 of the Pennsylvania Public Utility Code (“Code”), 66 Pa.C.S. § 102. Joint Applicants St. No. 1 at 7.

3. The Pennsylvania OpCos are also “electric distribution companies” and “default service providers” as defined in Section 2803 of the Code, 66 Pa.C.S. § 2803. Joint Applicants St. No. 1 at 7.

4. Met-Ed provides service to more than 587,000 electric utility customers within 3,300 square miles of eastern and southeastern Pennsylvania. Met-Ed has a summer peak load of about 3,021 megawatts (“MW”), with about two-thirds of that load attributable to residential and small commercial customers. Joint Applicants St. No. 1 at 8.

5. Penelec provides service to more than 588,000 electric utility customers within 17,600 square miles in northern and central Pennsylvania and western New York. Penelec has a summer peak load of about 2,838 MW, with about two-thirds of that load attributable to residential and small commercial customers. Joint Applicants St. No. 1 at 8.

6. The transmission facilities located within the Met-Ed and Penelec service territories are owned by Mid-Atlantic Interstate Transmission, LLC (“MAIT”) and are under the functional control of the PJM Interconnection, LLC (“PJM”) as the regional transmission organization (“RTO”). Joint Applicants St. No. 1 at 8.

7. The Commission previously approved MAIT's acquisition of Met-Ed's and Penelec's transmission facilities and issued MAIT a certificate of public convenience, evidencing its status as a public utility.¹ Joint Applicants St. No. 1 at 8.

8. Penn Power provides service to about 171,000 electric utility customers within 1,100 square miles in western Pennsylvania. Penn Power has a summer peak load of about 944 MW, with about three-quarters of that load attributable to residential and small commercial customers. Joint Applicants St. No. 1 at 9.

9. Penn Power is a direct subsidiary of Ohio Edison Company ("Ohio Edison"), which is a direct subsidiary of FirstEnergy, and both of which are wholly-owned subsidiaries of FirstEnergy. Joint Applicants St. No. 1 at 7.

10. The transmission facilities located within the Penn Power service territory are owned by American Transmission Systems Incorporated ("ATSI") and are under the functional control of PJM as the RTO. The Commission previously approved ATSI's acquisition of Penn Power's transmission facilities and issued ATSI a certificate of public convenience, evidencing its status as a public utility.² Joint Applicants St. No. 1 at 9.

11. West Penn provides transmission and distribution service to about 737,000 electric utility customers within 10,400 square miles in central and southwestern Pennsylvania. West Penn has a summer peak load of about 3,827 MW, with about two-thirds of that load attributable to residential and small commercial customers. Joint Applicants St. No. 1 at 9.

¹ *Joint Application of Mid-Atlantic Interest Transmission, LLC ("MAIT"); Metropolitan Edison Company ("Met-Ed") And Pennsylvania Electric Company ("Penelec") For: (1) A Certificate of Public Convenience Under 66 Pa.C.S. § 1102(a)(3) Authorizing The Transfer Of Certain Transmission Assets From Met-Ed And Penelec To MAIT; (2) A Certificate Of Public Convenience Conferring Upon MAIT The Status Of A Pennsylvania Public Utility Under 66 Pa.C.S. § 102; And (3) Approval Of Certain Affiliate Interest Agreements Under 66 Pa.C.S. § 2102, Docket Nos. A-2015-2488903, et al. (Opinion and Order entered Aug. 24, 2016) ("MAIT Order").*

² *Application of Pennsylvania Power Co. for (1) a Certificate of Public Convenience Authorizing the Transfer of Certain Transmission Assets to American Transmission Systems, Inc., And (2) Approval of Certain Affiliated Interest Agreements Necessary to Effect the Transfer, Docket No. A-110450F0016 (July 14, 2000) ("ATSI Order").*

12. While West Penn currently owns its transmission facilities, those facilities will be contributed to Keystone Appalachian Transmission Company (“KATCo”), a subsidiary of FirstEnergy Corp. (“FirstEnergy”) that was set up in anticipation of the contribution of the West Penn Transmission Assets to a separate entity. Joint Applicants St. No. 1 at 8, 10.

13. On March 6, 2023, the above captioned proceedings were initiated when Met-Ed, Penelec, Penn Power, West Penn, KATCo, MAIT, and FirstEnergy Pennsylvania Electric Company (“FE PA”) filed the “Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger; (2) the Establishment of FirstEnergy Pennsylvania Holding Company LLC as an Intermediate Holding Company in the Chain of Ownership of FirstEnergy Pennsylvania Electric Company; (3) the Merger of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company with and into FirstEnergy Pennsylvania Electric Company; (4) the Initiation by FirstEnergy Pennsylvania Electric Company of Electric Service in All Territories in this Commonwealth where Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company Do or May Provide Electric Service; (5) the Abandonment by Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company of All Electric Service in this Commonwealth; (6) the Adoption by FirstEnergy Pennsylvania Electric Company of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company’s Existing Tariffs and their Application within New Service and Rate Districts

of FirstEnergy Pennsylvania Electric Company Corresponding to their Existing Service Territories as the Met-Ed Rate District, Penelec Rate District, Penn Power Rate District, West Penn Rate District, and The Pennsylvania State University Rate District, Respectively; (7) the sale of Class B Membership Interests in Mid-Atlantic Interstate Transmission, LLC held by Met-Ed and Penelec to FirstEnergy Corp.; (8) the Contribution of West Penn Power Company’s Transmission Assets to Keystone Appalachian Transmission Company; (9) a Certificate of Public Convenience Conferring Upon Keystone Appalachian Transmission Company the Status of a Pennsylvania Public Utility; (10) Where Necessary, Associated Affiliated Interest Agreements; and (11) Any Other Approvals Necessary to Complete the Contemplated Transaction” at Docket Nos. A-2023-3038771, A-2023-3038792, A-2023-3038793, A-2023-3038794, A-2023-3038795, A-2023-3038807, A-2023-3038808, G-2023-3038818, G-2023-3038819, G-2023-3038820, G-2023-3038821, G-00020956 (the “Joint Application”).

14. The Joint Application requests Commission approval of: (1) the merger of Met-Ed, Penelec, Penn Power, and West Penn, FirstEnergy’s wholly-owned and commonly managed and operated Pennsylvania utility subsidiaries, into one legal entity, FE PA, which will be a wholly-owned subsidiary of a new intermediate holding company, FirstEnergy Pennsylvania Holding Company LLC (“Proposed Consolidation”)³; (2) FirstEnergy’s purchase of Class B interests in MAIT from Met-Ed and Penelec (“Proposed Sale of MAIT Class B Interests”); and (3) the contribution of West Penn’s Transmission Assets to KATCo (“Proposed Transmission Contribution”) (collectively, “Transaction”). Joint Applicants St. No. 1 at 5.

³ As noted below and explained in greater detail in the testimony of Mr. Ermal Fatusha (Joint Applicants Statement No. 3), before the Pennsylvania OpCos are merged with and into FE PA, FirstEnergy will first form three transitory limited liability companies (i.e., “Penelec LLC,” “Met-Ed LLC,” and “West Penn LLC”). Each of Met-Ed, Penelec, and West Penn will be merged with and into the associated limited liability company as a part of this initial step.

15. In the first step of the Transaction, FirstEnergy formed a new, wholly owned Delaware limited liability company called FirstEnergy Pennsylvania Holding Company LLC (“FE 5 PA HoldCo”) consistent with Delaware state laws. Joint Applicants St. No. 3 at 5.

16. In the second step of the Transaction, FirstEnergy formed FE PA consistent with Pennsylvania state laws. FE PA will be a wholly owned subsidiary of FE PA HoldCo, which itself will function as an intermediate holding company. Joint Applicants St. No. 3 at 5.

17. In the third step of the Transaction, FirstEnergy will form, not later than the date of closing, three new wholly-owned Pennsylvania limited liability companies: Pennsylvania Electric Company LLC (“Penelec LLC”); Metropolitan Edison Company LLC (“Met-Ed LLC”); and West Penn Power Company LLC (“West Penn LLC”) (each, a “Merger LLC” and collectively, the “Merger LLCs”), each consistent with the applicable laws of Pennsylvania. Joint Applicants St. No. 3 at 5.

18. The Merger LLCs are being formed for the purpose of effectuating certain steps of the Transaction – specifically, the transfer of the MAIT Class B membership interests and the West Penn transmission assets. Joint Applicants St. No. 3 at 5.

19. Immediately following formation of the Merger LLCs, each of the Merger LLCs will merge with and into its respectively named operating utility, with the Merger LLC surviving. Joint Applicants St. No. 3 at 5.

20. Each surviving Merger LLC will be the successor, by operation of law, to all rights, assets, liabilities and obligations of the corresponding operating utility company, and no separate assignments or transfers of rights, assets, liabilities, or obligations will be required. Joint Applicants St. No. 3 at 5-6.

21. In the fourth step of the Transaction, Penelec LLC and Met-Ed LLC will sell their respective Class B membership interests in MAIT to FirstEnergy in exchange for cash. Joint Applicants St. No. 3 at 6.

22. In the fifth step of the Transaction, West Penn LLC will contribute its transmission assets to KATCo in exchange for shares of KATCo stock. Joint Applicants St. No. 3 at 6.

23. Immediately following the contribution of assets, West Penn LLC will sell to FirstEnergy all of its shares of KATCo stock in exchange for cash. Joint Applicants St. No. 3 at 6.

24. The cash consideration in this step will be equal to the value of the newly-issued KATCo shares. Joint Applicants St. No. 3 at 6.

25. In the sixth step of the Transaction, FirstEnergy and FE PA HoldCo will contribute all of the equity of both Penelec LLC and Met-Ed LLC to FE PA and, thereafter, each of Penelec LLC and Met-Ed LLC will merge with and into FE PA, with FE PA as the surviving entity. Joint Applicants St. No. 3 at 6.

26. In the seventh step of the Transaction, FirstEnergy and FE PA HoldCo will contribute all the equity of West Penn LLC to FE PA and, shortly thereafter, West Penn LLC will merge with and into FE PA with FE PA as the surviving corporation. Joint Applicants St. No. 3 at 8.

27. In the eighth and final step of the Transaction, Penn Power (which is a wholly owned subsidiary of Ohio Edison) will merge with and into FE PA, with FE PA as the surviving entity. Joint Applicants St. No. 3 at 9.

28. As consideration for this merger, Ohio Edison will receive cash from FE PA in an amount equal to the net book value of Penn Power at the time of the transaction. Joint Applicants St. No. 3 at 9.

29. FE PA will assume all the rights, assets, liabilities and obligations of Penn Power and no separate assignments or transfers of rights, assets, liabilities or obligations will be required. Joint Applicants St. No. 3 at 9.

30. The merger will be accomplished by executing an Agreement and Plan of Merger signed by these entities and will become effective upon the filing of a statement of merger with the Pennsylvania Secretary of State. Joint Applicants St. No. 3 at 9.

31. Upon the Transaction's closing, FE PA will own all of the Pennsylvania OpCos' electric distribution assets, the Pennsylvania OpCos will be dissolved, and KATCo will own all of West Penn's Transmission Assets. Joint Applicants St. No. 1 at 5; Joint Applicants St. No. 3 at 9.

32. In their testimony, the Joint Applicants asserted that the proposed Transaction will produce substantial affirmative public benefits upon closing and additional benefits in the future, including, but not limited to, financing benefits, regulatory and administrative efficiency benefits, improved service quality benefits, and potential for increased investment. Joint Applicants St. No. 1 at 31-41; Joint Applicants St. No. 2 at 14-16; Joint Applicants St. No. 3 at 15-18; Joint Applicants St. No. 4 at 10-11.

33. The Joint Applicants averred that these benefits will result from combining the four commonly-owned Pennsylvania OpCos into a single EDC that will be more efficient in its operations and have a greater access to capital markets. Joint Applicants St. No. 1 at 31-41; Joint Applicants St. No. 2 at 14-16; Joint Applicants St. No. 3 at 15-18; Joint Applicants St. No. 4 at 10-11.

34. The Joint Applicants claimed that the proposed Transaction's financing benefits will result from interest expense savings on the issuance of new long-term debt, including any refinancing of existing debt. Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16.

35. The Joint Applicants stated that hypothetical scenarios can be used to demonstrate the expected type of benefit that the Companies anticipate could be realized by virtue of their improved access to capital on a consolidated basis. Joint Applicants St. No. 3R at 10.

36. As an example, the Joint Applicants asserted that for every 10 basis points (or 0.1%) reduction in the coupon, or interest rate, of a new \$500 million debt offering under more favorable terms, annual interest expense would be reduced by \$500,000. Joint Applicants St. No. 3R at 10.

37. For a range of reference, the Pennsylvania OpCos currently have \$4.2 billion of outstanding debt. Joint Applicants St. No. 3R at 10.

38. FE PA also will become a Securities and Exchange Commission ("SEC") registrant, which the Joint Applicants asserted will enable FE PA to have greater access to capital markets. Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16.

39. The Joint Applicants argued that this benefit will later be reflected in a lower cost of debt in base rates for FE PA. Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16-17.

40. As for regulatory and administrative efficiencies, the Joint Applicants asserted that the Proposed Consolidation will reduce the number of filings and reports currently required to be submitted by each Pennsylvania OpCo and will allow the submission of a single company filing by FE PA. Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 2 at 15; Joint Applicants St. No. 1R at 6-7.

41. Additionally, the Joint Applicants stated that certain business tasks, currently performed in duplicative manners by the current Pennsylvania OpCos, would be consolidated and performed by a single company post-merger. Joint Applicants St. No. 1 at 34.

42. Moreover, the Joint Applicants contended that there will be several benefits from the Proposed Sale of MAIT Class B Interests and the Proposed Transmission Contribution. Joint Applicants St. No. 1 at 36-40; Joint Applicants St. No. 3 at 17; Joint Applicants St. No. 3R at 3-4.

43. The Joint Applicants stated that the capital received from the sale of the passive Class B membership interests in MAIT to FirstEnergy Corp. will be used with the goal of strengthening Met-Ed's and Penelec's credit profiles, balance sheets, and funding their capital expenditures. Joint Applicants St. No. 3 at 17.

44. Meanwhile, the Joint Applicants averred that the Proposed Transmission Contribution will principally result in increased transparency with respect to West Penn's distribution and transmission businesses and will further streamline the Pennsylvania OpCos' consolidation of electric distribution assets by separating West Penn's Transmission Assets. Joint Applicants St. No. 1 at 37; Joint Applicants St. No. 3R at 4.

45. The Joint Applicants asserted that investors perceive the transmission-only and distribution-only models as having clear investment purposes which should benefit each Company long-term, respectively. Joint Applicants St. No. 3 at 17.

46. The Proposed Transmission Contribution will align the structure of West Penn's transmission facilities with the structure of the other Pennsylvania OpCos, as the Commission previously authorized MAIT's acquisition of Met-Ed's transmission facilities and ATSI's acquisition of Penn Power's transmission facilities. Joint Applicants St. No. 1 at 37.

47. From a transmission perspective, the Joint Applicants argued that the consolidation of Transmission Assets within KATCo will allow interested parties to easily review the annual updates to the transmission revenue requirement because that review can be focused on a single entity that owns only transmission assets. Joint Applicants St. No. 1 at 37.

48. The Joint Applicants claimed that this increased clarity and transparency will also help attract capital because the added transparency investors favor in a transmission-only model will have no retail customers and receive its revenue from PJM.⁴ Joint Applicants St. No. 1 at 37; Joint Applicants St. No. 3 at 17-18.

49. The Joint Applicants also asserted that the proposed Transaction will provide the benefit of creating a corporate separation of the transmission business, in addition to the functional separation that exists today. Joint Applicants St. No. 1 at 37.

50. The Office of Consumer Advocate (“OCA”), Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), and Met-Ed Industrial Users Group (“MEIUG”), the Penelec Industrial Customer Alliance (“PICA”), the West Penn Power Industrial Intervenors (“WPPII”), and the Industrial Energy Consumers of Pennsylvania (“IECPA”) (collectively, MEIUG, PICA, WPPII, and IECPA are referred to as “Industrial Customers”) disputed the Joint Applicants’ assertions that the proposed Transaction will produce substantial affirmative public benefits and recommended that various conditions be placed on any Commission approval of the Joint Application. OCA St. No. 1 at 3-5, 10-29; OCA St. No. 2 at 3-10; CAUSE-PA St. No. 1 at 6-33; Industrial Customers St. No. 1 at 4-28.

51. The Pennsylvania State University (“PSU”) proposed that the Joint Applicants make certain revisions to their proposed *pro forma* tariff that was submitted as Joint Applicants

⁴ *Id.*; Joint Applicants St. No. 3 at 17-18.

Exhibit JMS-8 so that the tariff, according to PSU, “accurately reflect[s] the rates and terms of service currently applicable to PSU.” PSU St. No. 1 at 7.

52. The Settlement reflect a carefully balanced compromise of the Joint Petitioners’ positions on various issues. Settlement ¶ 30.

53. The Joint Petitioners agree that the Settlement is in the public interest. Settlement ¶ 30.

54. The Joint Petitioners agree that the Joint Application should be approved, including those tariff changes included in and specifically identified in Appendix A attached to the Settlement, subject to the terms and conditions of the Settlement. Settlement ¶ 31.

55. In their direct testimony, the Joint Applicants explained that following the merger, the existing tariffs for the Pennsylvania OpCos, including West Penn’s tariff for PSU, will be combined, such that each will operate as a “rate district” under FE PA’s tariff. Joint Applicants St. No. 1 at 10.

56. The rate districts will be named as follows: Met-Ed; Penelec; Penn Power; West Penn; and PSU. Joint Applicants St. No. 1 at 12.

57. FE PA will provide retail distribution services in each rate district through this consolidated tariff, and each rate will correspond with the Pennsylvania OpCos’ historical geographic service territories. Joint Applicants St. No. 1 at 12.

58. FE PA will provide electric service to each rate district under the same rates, terms, and conditions for service as the existing Pennsylvania OpCos. Joint Applicants St. No. 1 at 12.

59. Although the Joint Applicants made revisions to consolidate the existing retail tariffs into a single tariff, the proposed revisions do not alter the currently existing rates, terms, or

conditions of service provided in the Pennsylvania OpCos' individual tariffs. Joint Applicants St. No. 1 at 13; Joint Applicants Exhibit JMS-11.

60. Rather, any changes reflect the consolidation of the historically separate tariffs into a single tariff. Joint Applicants St. No. 1 at 13.

61. Consequently, customers will not experience any impact to their current rates as a result of the Transaction. Joint Applicants St. No. 1 at 10.

62. The distribution rates will be the same as the rates that were approved by the Commission in each of the Pennsylvania OpCos' distribution rate cases effective January 27, 2017, and rider rates in effect at the time the Transaction is approved will also remain unchanged. Joint Applicants St. No. 1 at 10.

63. Other parties raised issues and concerns about the alleged impact of the Transaction on customers' rates. *See* OCA St. No. 1 at 16; Industrial Customers St. No. 1 at 26-27.

64. OCA recommended that the Commission condition the transaction on the requirement that "no customer group in any Pennsylvania Op Co or FE PA rate district be extraordinarily disadvantaged or harmed, and that such rate unification adhere to the principle of gradualism." OCA St. No. 1 at 16.

65. Industrial Customers recommended that the Commission condition its approval on a requirement that the Joint Applicants "not seek total consolidation of rates in fewer than three rate cases." Industrial Customers St. No. 1 at 26-27.

66. Industrial Customers also recommended that the Commission condition its approval on the Joint Applicants "provid[ing] a report to stakeholders twice annually during consolidation, and prepare for filing during each of the consolidating rate cases in the future two cost of service studies: one showing rate consolidation impacts only on what are presently separate

classes of customers in each organization, and the second showing full rate changes associated with the single company rate consolidation.” Industrial Customers St. No. 1 at 28.

67. OCA and Industrial Customers also recommend that the Commission condition its approval of the Joint Application on imposing a three-year base rate case stay-out.” OCA St. No. 1 at 27; Industrial Customers St. No. 1 at 26.

68. OCA further proposed that FE PA should provide an “informative/illustrative filing” with the Commission showing elements such as cost of design, rate design, rate allocation, at least one year prior to a rate case filing with rate unification. OCA St. No. 1 at 28.

69. Industrial Customers recommended that impose certain audit requirements before the next base rate case during the proposed base rate case stay-out period. Industrial Customers St. No. 1 at 15-16, 27.

70. The Joint Applicants agreed that any future rate unification should account for the principle of gradualism. Joint Applicants St. No. 1R at 16.

71. However, the Joint Applicants stated that the extent of any rate increases or decreases as part of that rate unification effort is an issue best reserved for FE PA’s future base rate cases. Joint Applicants St. No. 1R at 16.

72. The Joint Applicants asserted that it is premature to determine how many rate cases it will take to consolidate FE PA’s rate divisions’ rates. Joint Applicants St. No. 1R at 16.

73. Although the Joint Applicants expect that it will take at least two cases, the Joint Applicants averred that it is inappropriate to impose a condition that such rate consolidation occur over no fewer than three base rate cases as part of this proceeding. Joint Applicants St. No. 1R at 17.

74. In regard to filing a cost of service for each rate district and for FE PA combined, the Joint Applicants agreed with the recommendation to file the two cost of service studies in its next base rate case. Joint Applicants St. No. 1R at 17.

75. The Joint Applicants disagreed with the recommendation that the Joint Applicants provide a report to stakeholders twice annually during consolidation, asserting that it was unclear what this report would provide and why it is necessary. Joint Applicants St. No. 1R at 17.

76. The Joint Applicants also disputed the proposed three-year base rate case stay-out on various grounds. Joint Applicants St. No. 1R at 19.

77. As for OCA's proposal for an "informative/illustrative filing" one year before the base rate case, the Joint Applicants disagreed with that recommendation because the financials of that period would not reflect the actual numbers of the rate case filed one year later. Joint Applicants St. No. 1R at 19.

78. The Joint Applicants asserted that implementing complex analysis and modeling would result in additional regulatory expenses with no cognizable benefit to the Commission, customers, or stakeholders. Joint Applicants St. No. 1R at 19.

79. The Joint Applicants also claimed that Industrial Customers' audit recommendations assume that a three-year rate case stay-out is imposed and averred that it would be unrealistic to complete an audit after the Commission rules on the Joint Application and before FE PA files a base rate case in 2024. Joint Applicants St. No. 1R at 20.

80. OCA and Industrial Customers stood by their recommendations in their surrebuttal testimony. OCA St. No. 1SR at 8-9; Industrial Customers St. No. 1SR at 12.

81. Under the Settlement, in line with the concept of gradualism, the Joint Applicants will not propose to reach full base distribution rate unification of all classes until the conclusion

of three rate cases, filed on or after January 1, 2025, or a period of 10 years from the date of the Commission's approval of the Transaction, whichever occurs first, except that any newly introduced base distribution rate, for which no customers are currently receiving service and on which any customers eligible to take service on this newly introduced rate would voluntarily enroll, can be charged as one FE PA uniform rate (*e.g.*, new EV or lighting rates), as approved by the Commission in any subsequent rate case. Settlement ¶ 32.

82. FE PA is not precluded from proposing unification of any of its tariff rules and regulations of service and associated fees prior to January 1, 2025. Settlement ¶ 32.

83. The Joint Applicants also will file four cost of service models, one for each Rate District with PSU as part of the West Penn Rate District, as well as a consolidated FE PA cost of service model, in the next rate case after the Proposed Consolidation is approved, and in each of the subsequent rate cases until full rate consolidation is achieved. Settlement ¶ 33.

84. Further, the Joint Petitioners' intent is that no customer group in any FE PA Rate District should be extraordinarily disadvantaged or harmed in the event of a rate unification and that such rate unification should adhere to the principle of gradualism. Settlement ¶ 36.

85. The Joint Applicants also will maintain a list on the FE PA website of the historical rate schedules for each of the Rate Districts on a rolling five-year basis, including zonal and system scaling factors for the industrial classes, by Rate District, applicable during each rate term. Settlement ¶ 39.

86. In its direct testimony, OCA recommended that FE PA be required to identify and track the merger savings in a regulatory liability account to be flowed back to ratepayers in a future rate case. OCA St. No. 1 at 10.

87. Similarly, CAUSE-PA recommended that the Joint Applicants “be required to develop a proposal for how it will quantify and track cost savings as a result of the Transaction – including any savings derived as a result of changes to FirstEnergy’s operations and management as a result of the Transaction– and how identified cost savings will be used to benefit its customers” and that FE PA be required “to set forth its proposal in the context of its next base rate proceeding or within six months of approval of the Transaction, whichever is sooner.” CAUSE-PA St. No. 1 at 30.

88. The Joint Applicants asserted that tracking savings is unnecessary, as FE PA savings will automatically flow to customers through base rate cases. Joint Applicants St. No. 1R at 10.

89. Also, the Joint Applicants stated that FE PA expects to file a rate case in 2024 and that FE PA will pass any savings from Transaction results to customers through the base rate case test year. Joint Applicants St. No. 1R at 10.

90. Under the Settlement, the Joint Applicants will track savings in operating expenses achieved as a result of the proposed Transaction attributable to the Pennsylvania OpCos related to the categories listed in Paragraph 34(a) through (e) of the Settlement. Settlement ¶ 34.

91. These savings will be placed into a regulatory liability account to be flowed back to ratepayers in each next applicable base rate case for five years following entry of a final Commission order on this Settlement. Settlement ¶ 34.

92. Any savings remaining at the conclusion of the five-year period will be flowed back at the first available rate proceeding. Settlement ¶ 34.

93. FE PA will include as part of each base rate case filing during this period incremental and cumulative data quantifying the financial benefits provided to ratepayers as a result of the consolidation related to the following categories of savings:

- a. Cost of debt savings associated with any new financings by FE PA or refinancing of the Pennsylvania OpCos' existing debt as assumed by FE PA, using an assumption of a five basis point savings for each such financing/refinancing;
- b. Reduced contractor reliance in support of non-extraordinary storm restoration events that are not otherwise reflected as real-time savings in the Pennsylvania OpCos' storm reserve accounts;
- c. Efficiencies gained due to consolidation of the Pennsylvania OpCos' substation planning and scheduling operations;
- d. Reduced contractor reliance due to increasing the ability to share resources across territorial boundaries as union contracts permit; and
- e. Any pre-existing financial or regulatory reports that can be consolidated or streamlined, as such takes place.

Settlement ¶ 34.

94. With respect to the amounts that will be tracked and recorded to a regulatory account as set forth in Paragraph 34, all parties reserve the right to raise all arguments with respect to the determination of any savings, the attribution of any savings to the former Pennsylvania OpCos, and whether any or all of the amounts to be determined should be flowed through to ratepayers in each base rate case that occurs over the period contemplated by Paragraph 34.

Settlement ¶ 35.

95. Under the Proposed Transmission Contribution, West Penn LLC will not contribute land or other real estate interests associated with the transferred transmission assets. Joint Applicants St. No. 2 at 12.

96. Instead, West Penn LLC and KATCo will enter into the Ground Lease, and all of West Penn LLC's rights and obligations under the Ground Lease will transfer to FE PA by

operation of law following the merger of West Penn LLC with and into FE PA. Joint Applicants St. No. 2 at 12.

97. The associated transmission land and other real estate interests, as well as the Ground Lease payments from KATCo to FE PA will be excluded from future distribution base rate cases. Joint Applicants St. No. 1 at 18.

98. The Joint Applicants asserted that this exclusion is consistent with the existing ratemaking treatment for land interests that are booked to Federal Energy Regulatory Commission (“FERC”) Account 350. Joint Applicants St. No. 1 at 18.

99. Under the Settlement, to the extent FE PA seeks to include in distribution rates the revenue requirement related to any underlying land, or a proportional share of underlying land, that is subject to the Ground Lease, FE PA agrees that any Ground Lease revenues associated with that underlying land, or proportional share of the underlying land, will also be included as a component of its distribution revenue in the future FE PA distribution rate proceedings before the Commission where such revenue requirements are claimed. Settlement ¶ 37.

100. Also, KATCo will file an annual report with the Commission on May 1 of each year for five years after the contribution of the transmission assets from West Penn to KATCo has been completed that identifies the calculation of the Ground Lease payments. Settlement ¶ 38.

101. The Joint Applicants averred that the Transaction will not affect the service provided to low-income customers who participate in the current Universal Service Programs or those low-income customers who do not participate in such programs. Joint Applicants St. No. 1 at 29.

102. The Pennsylvania OpCos' Universal Service Programs are managed by Customer Service and share a common set of systems, rules, and processes. Joint Applicants St. No. 1 at 29-30.

103. FE PA did not propose to make any changes to the Companies' programs included in the Universal Service and Energy Conservation Plan ("USECP") approved by the Commission on July 11, 2019, at Docket Nos. M-2017-2636976, *et al.* or to the pending USECP for 2024 through 2028 at Docket Nos. M-2022-3036532, *et al.* Joint Applicants St. No. 1R at 11.

104. If the Joint Application is approved, the Joint Applicants stated that the Commission-approved USECP programs will be reviewed for the need to make any changes in light of consolidation and any changes will be filed for Commission approval. Joint Applicants St. No. 1R at 11.

105. Otherwise, the then-effective programs will remain in effect until they are consolidated in a future proceeding. Joint Applicants St. No. 1R at 11.

106. OCA and CAUSE-PA recommended that FE PA allow Pennsylvania Customer Assistance Programs ("PCAP") enrollees who move within the consolidated service territory post-merger to automatically maintain their PCAP enrollment. OCA St. No. 2 at 4; CAUSE-PA St. No. 1 at 28.

107. CAUSE-PA also made recommendations related to the existing USECP programs of the Pennsylvania OpCos that FE PA will maintain in the applicable rate districts if the Transaction is approved, including: (1) increasing the Pennsylvania OpCos' annual contribution to their Hardship Funds to \$800,000; (2) ensuring that PCAP customers moving within rate districts retain their PCAP status and do not have to reenroll independently; (3) making changes to the Universal Service Advisory Committee ("USAC") meetings, such as holding quarterly

USAC meetings and committing to collaborate with USAC members on certain topics; (4) requiring FE PA to maintain the structure and staffing levels for its USECP programs consistent through the term of its pending proposed USECP at Docket Nos. M-2022-3036532, *et al.*; and (5) requiring FE PA, before making a proposal to consolidate its USECPs, to discuss merging the programs at its USAC meetings and seek input and recommendations from the USAC members. CAUSE-PA St. No. 1 at 26-29, 31-32

108. In rebuttal, the Joint Applicants agreed with most of these recommendations, except for the proposed increase in annual contribution to the Hardship Funds to \$800,000. Joint Applicants St. No. 1R at 11-16.

109. In surrebuttal, CAUSE-PA maintained that its proposed increase to the Hardship Fund was appropriate. CAUSE-PA St. No. 1SR at 12-13.

110. The Settlement provides that the staffing levels of FE PA's Universal Service Program(s) will not be reduced as a result of the Transaction for the duration of its pending USECP, from 2024 through 2028, at Docket Nos. M-2022-3036532, *et al.* Settlement ¶ 40.

111. Staffing levels will be maintained, notwithstanding retirements and voluntary separations. Settlement ¶ 40.

112. Moreover, as of the date of the final Order in this matter, and until all interested parties agree to a modification, the Joint Petitioners commit that FE PA will host its USAC on a quarterly basis through each calendar year for the purpose of presenting any proposed changes or amendments to program design or administration prior to advancing a formal proposal or otherwise implementing such changes, and discussing issues and questions that may be occurring in the communities it serves related to Consolidation or its Universal Service Program(s). Settlement ¶ 41.

113. FE PA also commits to share program data with USAC members in advance of each USAC meeting to help facilitate informed discussions. Settlement ¶ 42.

114. Data will include program participant data, spending levels (including but not limited to current spending levels and remaining funding of hardships grants), and other relevant program metrics as agreed upon by the parties for each USECP (including number of new enrollees in USECPs, number of new customers who were removed from the PCACP and the reason for removal, new outreach activities and efforts by FE PA, the number of PCAP participants who have reached 90% and 100% of their maximum CAP credit limits). Settlement ¶ 42.

115. While USAC meetings are intended to provide a platform for open dialogue and feedback regarding programming, the Joint Petitioners agree that the meetings are not a forum where USECP cost allocation to other customer classes will be deliberated. Settlement ¶ 43.

116. Further, in an effort to increase the diversity and range of community voices in the USAC, FE PA will recruit additional members to its USAC from groups such as local housing providers, food assistance providers, weatherization and home repair providers, community health clinics, domestic violence agencies, immigrant and refugee resettlement organizations, and other local community-based organizations serving low-income individuals and communities within the FE PA service territory. Settlement ¶ 44.

117. The Settlement further provides that the Joint Applicants are committed to making the transfer of a PCAP enrollment status as seamless as possible for PCAP enrollees who move from one Rate District to another. Settlement ¶ 45. There are currently system limitations that prevent FE PA from automatically moving customers into and out of different Rate District across the service territory. Settlement ¶ 45. The Joint Applicants commit to conducting further analysis of possible options for providing this optionality across the entire Pennsylvania footprint.

Settlement ¶ 45. The Joint Applicants will provide an update to its USAC as a standing agenda item until such time as FE PA reaches full implementation of the ability to provide seamless transition of enrollment for PCAP enrollees who move from one Rate District to another. Settlement ¶ 45.

118. As for the Hardship Fund, the Joint Applicants agree to make contributions of \$150,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for a period of three years after Commission approval of the Transaction. Settlement ¶ 46.

119. The Joint Applicants additionally agree to make contributions of \$100,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for the following two years. Settlement ¶ 46.

120. Any unspent funding from the annual contributions will be rolled over to be used for Hardship funding for the subsequent program year. Settlement ¶ 46.

121. These will be shareholder contributions and not recovered from ratepayers. Settlement ¶ 46.

122. The Settlement also provides that subject to the provisions of any implementation orders or other direction issued by the Commission, at such time that the Pennsylvania Department of Human Services notifies the Low-Income Home Energy Assistance Program (“LIHEAP”) Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, FE PA will implement required modifications to its Information Technology (“IT”) system and processes, within a reasonable time frame not to exceed one year, to automatically recertify an existing PCAP participant’s income and eligibility. Settlement ¶ 47.

123. Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing to recertify LIHEAP recipients for PCAP purposes as soon as practicable. Settlement ¶ 47.

124. All related costs to modify IT systems and processes shall be eligible for timely recovery, including any related interim costs related to manual processing. Settlement ¶ 47.

125. All LIHEAP recipients identified in the data exchange will be deemed by FE PA as confirmed low-income customers and will be eligible for winter shutoff protections. Settlement ¶ 47.

126. FE PA commits to conducting outreach to all LIHEAP recipients identified in the data exchange that are not current PCAP participants to encourage enrollment in the program. Settlement ¶ 47.

127. As part of their direct testimony, the Joint Applicants stated that operationally, the Pennsylvania OpCos' customers will continue to receive safe and reliable service after the merger. Joint Applicants St. No. 1 at 29.

128. The branding of the individual companies will not change in the near-term, and in the long-term, customers will benefit from the various advantages identified in the Joint Applicant's testimony. Joint Applicants St. No. 1 at 29.

129. OCA expressed a concern about KATCo and FE PA potentially withdrawing from PJM and recommended that the Commission condition its approval of the Joint Application on KATCo and FE PA agreeing to remain in PJM. OCA St. No. 1 at 26, 28.

130. Industrial Customers also relayed a similar concern and recommendation. Industrial Customers St. No. 1 at 27.

131. Additionally, CAUSE-PA raised concerns about FE PA's commitment to maintaining a Pennsylvania presence and recommended that the Commission require FE PA to obtain Commission approval before moving or otherwise making changes to its call centers in Pennsylvania. CAUSE-PA St. No. 1 at 30-31.

132. In rebuttal, the Joint Applicants confirmed that KATCo will not withdraw transmission facilities from the operational control of PJM unless KATCo has first applied for and obtained authorization by order of the Commission. Joint Applicants St. No. 1R at 18.

133. The Joint Applicants also stated that FE PA does not intend to change its call center services or hours as a result of this Transaction and plans to keep FE PA's business address in Pennsylvania. Joint Applicants St. No. 1R at 15.

134. OCA stated that the Joint Applicants adequately addressed its concern about KATCo and FE PA potentially withdrawing from PJM. OCA St. No. 1SR at 10.

135. CAUSE-PA asserted that the Commission should still require FE PA to maintain call center presence in Pennsylvania and to maintain the structure staffing levels for its USECP programs through the term of the proposed USECP. CAUSE-PA St. No. 1SR at 14.

136. Under the Settlement, the Joint Applicants shall not withdraw transmission facilities from the operational control of PJM unless KATCo has first applied for, and obtained, authorization by order of the Commission. Settlement ¶ 48.

137. Moreover, the Settlement provides that FE PA will commit to the following related to its call center operations:

- a. Maintaining the location of a Pennsylvania call center for a period of five years;
- b. If, subject to the commitment reflected in Paragraph 49(a), future business circumstances support a change in contact center location or construct, FE PA will take steps to ensure that a Pennsylvania-focused presence and awareness is represented within its contact center operations through means

including targeted recruiting efforts for Pennsylvania-based representatives, inclusion of a Pennsylvania-focused refresher training module to be provided to all representatives taking calls from FE PA customers, and advance notice and discussion with the parties to this settlement of FE PA's plans to eliminate and otherwise provide for the services enjoyed by the Joint Applicants' customers by the Reading, Pennsylvania contact center;

- c. Maintaining the services offered to residential customers by its call centers as of July 2023 for a period of 5 years. The services are as follows:
 - i. Support during outages – Log power out reports from customers, provide updates to customers on estimated time of restoration for outages, log reports from customers of downed powerlines and equipment, etc.;
 - ii. Planning for a move – Assist customers before, during and after the move process (start / stop / transfer of service);
 - iii. Submit service requests for tree problems, lighting problems, and electrical work;
 - iv. Answer billing questions – Questions pertaining to high bills, high usage, and bills based on estimated meter readings rather than actual readings;
 - v. Take payments and answer payment questions – Offer payment plans/arrangements to customers in need of extra time to pay their electricity bills;
 - vi. Provide information on all Universal Service Programs and assistance from other community-based organizations;
 - vii. Provide information on ways to save energy – Information on energy audits, energy efficiency programs, etc.;
 - viii. Provide information on products and services – Information on electrical work, tree trimming, electric vehicle charging installation, outdoor lighting, surge assistance, etc.;
- d. Maintaining minimum hours that call centers are available to customers of Monday through Friday, 8:00 AM to 6:00 PM; and
- e. Maintaining the use of Interactive Voice Response (“IVR”) systems during business and nonbusiness hours as in place as of July 2023.

Settlement ¶ 49.

138. In addition, the Settlement states that FE PA shall conduct a monthly review of customer disputes, complaints, and the Commission's Bureau of Consumer Services compliance findings to identify and respond to root cause(s) based on patterns and practices reflected in these indicia of customer dissatisfaction to ensure high level performance for its customers.⁵ Settlement ¶ 50.

139. The review will identify trends and areas for performance improvement and will be reported out to management. Settlement ¶ 50.

140. The monthly reports and management response will be shared at each quarterly meeting with the USAC. Settlement ¶ 50.

141. Under the Settlement, FE PA commits to maintaining its customer service performance for customer call center, reliability of service, billing, meter reading, and response to customer complaints and disputes at levels consistent with the Pennsylvania OpCos' five-year historical average as reported to the Commission. Settlement ¶ 51.

142. To the extent that FE PA's performance does not meet this level, FE PA agrees to meet with the parties as requested to discuss those areas of challenge and its plans to improve service levels. Settlement ¶ 51.

143. The Joint Applicants proposed to consolidate the five individual retail tariffs of the Pennsylvania OpCos into one combined retail tariff using the five rate districts to continue the current rate structure until a future base rate case filing. Joint Applicants St. No. 1 at 12.

144. In its direct testimony, PSU noted certain changes that should be made to the PSU Rate District's tariff page, specifically, revising the Transformer Loss adjustment language and

⁵ Settlement ¶ 50.

making corrections to the DSS Rider, Smart Meter Rider, and the Hourly Pricing Default Service Rider. PSU St. No. 1 at 5-7.

145. In rebuttal, the Joint Applicants agreed to incorporate those changes into its compliance tariff filing.⁶ Joint Applicants St. No. 1R at 21.

146. Furthermore, the Joint Applicants identified additional tariff changes that need to be made, such as updating the DSS Rider billing method for industrial customers in the West Penn and Penelec Rate Districts. Joint Applicants St. No. 1R at 21.

147. All of those changes were shown in redline form in Joint Applicants Exhibit JMS-15. Joint Applicants St. No. 1R at 21.

148. Under the Settlement, the Joint Applicants accept the tariff modifications proposed by PSU. Settlement ¶ 52.

149. Such tariff modifications are incorporated in the *pro forma* tariff supplement included with Appendix A attached to the Settlement and will be incorporated in the compliance tariff filings in this proceeding. Settlement ¶ 52.

150. The Joint Applicants also commit to maintaining a separate Rate District and base distribution rates for PSU. Settlement ¶ 53.

151. In their direct testimony, the Joint Applicants stated that transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information, and investigate the feasibility of the proposed Transaction and continuing through the completion of the Transaction. Joint Applicants St. No. 2 at 14.

152. All Transaction-related costs are being charged to work orders and are recorded to FERC Account 426.5 – Other Deductions on the financial statements of the Pennsylvania OpCos

⁶ Joint Applicants St. No. 1R at 21.

prior to the Transaction, and on the financial statements of FE PA and KATCo after the completion of the proposed Transaction. Joint Applicants St. No. 2 at 14.

153. Industrial Customers averred that the Joint Applicants did not address how transition costs would be handled. Industrial Customers St. No. 1 at 19.

154. The Joint Applicants asserted in rebuttal that transition costs (*i.e.*, costs necessary to consolidate reporting, accounting and rates, including IT costs, internal labor, and any outside consulting costs) would be treated in the same manner as Transaction-related costs and tracked through work orders to be recorded to FERC Account 426.5 – Other deductions. Joint Applicants St. No. 2R at 6.

155. Further, the Joint Applicants confirmed that they are committed to excluding all Transaction-related and transition costs from rates charged to customers of all affected companies. Joint Applicants St. No. 2R at 6.

156. Under the Settlement, the Joint Applicants reaffirm that they will not seek recovery of any transaction and transition costs related to Proposed Consolidation from distribution or transmission rates. Settlement ¶ 54.

157. For added clarity, the Settlement defines transition and Transaction-related costs. Settlement ¶ 54.

158. Also, under the Settlement, FE PA will hold collaborative meetings in advance of filings for modifications to the Joint Applicants' regulatory-required plans or its next scheduled plan filings, to include Default Service Plan, USECP, Energy Efficiency and Conservation Plan, Long-Term Infrastructure Improvement Plan and, in the event that PJM implements a seasonal capacity construct, any filings related to revisions to the Joint Applicants' recovery methodology concerning those capacity market changes. Settlement ¶ 55.

159. The collaborative meetings will be used to discuss the consolidation's impact on each of the respective filings and FE PA's plans to unify such programs moving forward. Settlement ¶ 55.

160. The Joint Applicants also commit to initiate twice-yearly meetings with the Industrial User Groups ("IUGs"), including IECPA and the Industrial Customer Groups, to discuss topics of interest, including general reliability, calculation of individual customer peak load contributions, and rate overviews. Settlement ¶ 56.

161. As part of these meetings, IUG members will be able to provide advance notice of topics of interest for addition to the agenda, which may include individual reliability and/or power quality concerns that will be investigated and addressed as breakout topics with those specific customers, including root cause analysis and options for corrective action. Settlement ¶ 56.

162. The Settlement also clarifies that all prior settlements entered into by the Joint Applicants will survive any approved consolidation or merger and will be enforceable against FE PA to the extent applicable. Settlement ¶ 57.

Appendix C
Proposed Conclusions of Law

APPENDIX C

PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa.C.S. §§ 1101, 1102, 1103, 2101, 2102, 2103, 2811(e).

2. Section 1101 of the Code states that Commission approval, as evidenced by a certificate of public convenience and necessity, is required for a proposed public utility to begin to offer, render, furnish, or supply service within the Commonwealth. *See* 66 Pa.C.S. § 1101.

3. The proposed public utility must file an application with the Commission to receive such approval. *See id.*

4. The Commission’s grant of authority “shall include a description of the nature of the service and of the territory in which it may be offered, rendered, furnished or supplied.” *Id.*

5. Relevant to the Transaction, Section 1102(a)(1) of the Code specifies that a public utility must receive Commission approval before “begin[ning] to offer, render, furnish or supply within this Commonwealth service of a different nature or to a different territory than that authorized by” a certificate of public convenience or an unregistered right, power or privilege preserved by Section 103 of the Code. 66 Pa.C.S. § 1102(a)(1).

6. Further, Section 1102(a)(2) of the Public Utility Code states that a public utility must obtain Commission approval before “abandon[ing] or surrender[ing], in whole or in part, any service” *Id.* § 1102(a)(2).

7. Also, Section 1102(a)(3) of the Code, 66 Pa.C.S. §1102(a)(3), provides, in pertinent part, that the Commission’s prior approval, evidenced by a certificate of public convenience, is required:

For any public utility or an affiliated interest of a public utility . . .
to acquire from, or to transfer to, any person or corporation . . . by

any method or devise whatsoever, including the sale or transfer of stock and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.

8. Section 1103 of the Code sets forth the procedure to obtain certificates of public convenience under Sections 1101 and 1102 of the Code.

9. Commission approvals under Sections 1101, 1102(a)(1)-(3), and 1103 are required to complete the Transaction.

10. First, a certificate of public convenience is required to be issued to FE PA to establish FE PA HoldCo as an intermediate holding company in the chain of ownership of FE PA. *See id.* §§ 1101, 1102(a)(3).

11. Second, certificates of public convenience are required for FE PA and KATCo to operate as public utilities in the Commonwealth. *See id.* §§ 1101, 1102(a)(1).

12. Third, certificates of public convenience are required for Met-Ed, Penelec, Penn Power, and West Penn to abandon their authority to provide electric service in their existing service territories. *See id.* § 1102(a)(2).

13. Fourth, certificates of public convenience are required to complete the Transaction, including the Proposed Consolidation, the Proposed Sale of MAIT Class B Interests, and the Proposed Transmission Contribution. *See id.* § 1102(a)(3).

14. To provide direction for future Section 1102(a)(3) applicants, the Commission issued a Statement of Policy on October 22, 1994, to establish standards regarding the circumstances under which a transfer of voting interest constitutes a change in *de facto* control of the utility, which provides, in pertinent part, as follows:

- (1) A transaction or series of transactions resulting in a new controlling interest is jurisdictional when the transaction or transactions result in a different entity becoming the beneficial holder of the largest voting interest in the utility or parent, regardless of the tier. A

transaction or series of transactions resulting in the elimination of a controlling interest is jurisdictional when the transaction or transactions result in the dissipation of the largest voting interest in the utility or parent, regardless of the tier.

- (2) For purposes of this section, a controlling interest is an interest, held by a person or group acting in concert, which enables the beneficial holders to control at least 20% of the voting interest in the utility or its parent, regardless of the remoteness of the transaction. In determining whether a controlling interest is present, voting power arising from a contingent right shall be disregarded.

52 a. Code § 69.901.

15. In this case, certificates of public convenience under Section 1102(a)(3) of the Code are required to complete the Transaction because the Transaction will: (a) merge Met-Ed, Penelec, Penn Power, and West Penn, which are all electric distribution companies certificated by the Commission, into FE PA; (b) result in the sale by Met-Ed and Penelec of their respective Class B membership interests in MAIT (*i.e.*, a public utility) to FirstEnergy; and (c) result in West Penn's Transmission Assets being contributed to KATCo.

16. The Commission may issue a certificate of public convenience upon a finding that “the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.” 66 Pa.C.S. § 1103(a).

17. This standard requires the Commission to find that the Transaction will “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *City of York v. Pa. PUC*, 295 A.2d 825, 828 (Pa. 1972).

18. The “substantial public interest” standard is satisfied by a simple preponderance of the evidence of benefits, and such burden can be met by showing a likelihood or probability of public benefits that need not be quantified or guaranteed. *Popowsky v. Pa. PUC*, 937 A.2d 1040, 1057 (Pa. 2007).

19. Further, the substantial public benefit test does not require that every customer receive a benefit from the Transaction. *Id.* at 1061.

20. Under Sections 1102 and 1103 of the Code, FE PA and KATCo, which are applying for public utility status and will acquire public utility assets, must be legally, technically, and financially fit. *See Seaboard Tank Lines v. Pa. PUC*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Township Mun. Auth. v. Pa. PUC*, 138 A.2d 240, 243 (Pa. Super. 1958).

21. The Commission has held that “fitness” encompasses: (1) the technical capacity to fulfill the identified service in a satisfactory fashion; (2) the financial capacity to obtain the plant and equipment needed to perform the proposed service in a reliable and responsible fashion; and (3) a propensity to operate safely and legally. *See Re William O’Connor*, 54 Pa. P.U.C. 547, 549 (1980).

22. Under Section 2102 of the Code, Commission approval is required for any affiliated interest contract before it can become effective. 66 Pa.C.S. § 2102(a). Section 2101(a) defines an “affiliated interest” to include the following: “(1) Every corporation and person owning or holding directly or indirectly 5% or more of the voting securities of such public utility; and (2) Every corporation and person in any chain of successive ownership of 5% or more of voting securities.” 66 Pa.C.S. § 2101(a)(1)(2).

23. Under Section 2103, the Commission has continuing supervision and jurisdiction over affiliated interest contracts, including the “modification or amendment” of such contracts or agreements. 66 Pa.C.S. § 2103.

24. Sections 2102(b) and (c) provide the standard for Commission review of an affiliate interest agreement:

(b) Filing and Action on Contract.... The commission shall approve such contract or arrangement made or entered into after the effective

date of this section only if it shall clearly appear and be established upon investigation that it is reasonable and consistent with the public interest. If at the end of 30 days after the filing of a contract or arrangement, no order of rejection has been entered, such contract or arrangement, whether written or unwritten, shall be deemed, in fact and law, to have been approved. The commission may, by written order, giving reasons therefor, extend the 30-day consideration period. No such contract or arrangement shall receive the commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated interest of rendering the services or of furnishing the property or service described herein to the public utility....

(c) Disallowances of Excessive Amounts.... If the commission shall determine that the amounts paid or payable under a contract or arrangement filed in accordance with this section are in excess of the reasonable price for furnishing the services provided for in the contract, or that such services are not reasonably necessary and proper, it shall disallow such amounts, insofar as found excessive, in any proceeding involving the rates or practices of the public utility. In any proceeding involving such amounts, the burden of proof to show that such amounts are not in excess of the reasonable price for furnishing such services, and that such services are reasonable and proper, shall be on the public utility.

66 Pa.C.S. § 2102(b) and (c).

25. Section 2811(e) of the Code provides as follows:

(1) In the exercise of authority the commission otherwise may have to approve the mergers or consolidations by electric utilities or electricity suppliers, or the acquisition or disposition of assets or securities of other public utilities or electricity suppliers, the commission shall consider whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.

(2) Upon request for approval, the commission shall provide notice and an opportunity for open, public evidentiary hearings. If the commission finds, after hearing, that a proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity

customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market, the commission shall not approve such proposed merger, consolidation, acquisition or disposition, except upon such terms and conditions as it finds necessary to preserve the benefits of a properly functioning and workable competitive retail electricity market.

66 Pa.C.S. § 2811(e).

26. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative resources.

27. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

28. To accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2015-2518438, *et al.* (Order entered Oct. 14, 2016); *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered Jan. 7, 2004).

29. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. PUC v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Order entered Sept. 11, 2014).

30. The decision of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704.

31. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166

A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlt. 1984).

32. The terms and conditions of the Settlement are supported by substantial evidence and are in the public interest. Therefore, consistent with the terms and conditions set forth in the Settlement, the Joint Application should be approved as modified by the Settlement.

Appendix D
Proposed Ordering Paragraphs

APPENDIX D

PROPOSED ORDERING PARAGRAPHS

1. That the Pennsylvania Public Utility Commission approve the Joint Petition for Approval of Settlement of All Issues without modification;

2. That the Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger; (2) the Establishment of FirstEnergy Pennsylvania Holding Company LLC as an Intermediate Holding Company in the Chain of Ownership of FirstEnergy Pennsylvania Electric Company; (3) the Merger of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company with and into FirstEnergy Pennsylvania Electric Company; (4) the Initiation by FirstEnergy Pennsylvania Electric Company of Electric Service in All Territories in this Commonwealth where Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company Do or May Provide Electric Service; (5) the Abandonment by Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company of All Electric Service in this Commonwealth; (6) the Adoption by FirstEnergy Pennsylvania Electric Company of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's Existing Tariffs and their Application within New Service and Rate Districts of FirstEnergy Pennsylvania Electric Company Corresponding to their Existing Service Territories as the Met-Ed Rate District, Penelec Rate District, Penn Power Rate District, West Penn Rate

District, and The Pennsylvania State University Rate District, Respectively; (7) the sale of Class B Membership Interests in Mid-Atlantic Interstate Transmission, LLC held by Met-Ed and Penelec to FirstEnergy Corp.; (8) the Contribution of West Penn Power Company's Transmission Assets to Keystone Appalachian Transmission Company; (9) a Certificate of Public Convenience Conferring Upon Keystone Appalachian Transmission Company the Status of a Pennsylvania Public Utility; (10) Where Necessary, Associated Affiliated Interest Agreements; and (11) Any Other Approvals Necessary to Complete the Contemplated Transaction filed at Docket Nos. A-2023-3038771, A-2023-3038792, A-2023-3038793, A-2023-3038794, A-2023-3038795, A-2023-3038807, A-2023-3038808, G-2023-3038818, G-2023-3038819, G-2023-3038820, G-2023-3038821, G-00020956 be approved as modified by the Joint Petition for Approval of Settlement of All Issues;

3. That the Commission authorize the filing of the *pro forma* tariff supplements attached to the Joint Petition for Approval of Settlement of All Issues as Appendix A to become effective on one day's notice; and

4. That this matter be marked closed.

Appendix E
Joint Applicants' Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Metropolitan Edison :
Company, Pennsylvania Electric Company, :
Pennsylvania Power Company, West Penn : Docket Nos. A-2023-3038771
Power Company, Keystone Appalachian : A-2023-3038792
Transmission Company, Mid-Atlantic : A-2023-3038793
Interstate Transmission, LLC, and : A-2023-3038794
FirstEnergy Pennsylvania Electric : A-2023-3038795
Company for All of the Necessary : A-2023-3038807
Authority, Approvals, and Certificates of : A-2023-3038808
Public Convenience for (1) the Agreements : G-2023-3038818
and Plans of Merger; (2) the Establishment : G-2023-3038819
of FirstEnergy Pennsylvania Holding : G-2023-3038820
Company LLC as an Intermediate Holding : G-2023-3038821
Company in the Chain of Ownership of : G-00020956
FirstEnergy Pennsylvania Electric :
Company; (3) the Merger of Metropolitan :
Edison Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company with and :
into FirstEnergy Pennsylvania Electric :
Company; (4) the Initiation by FirstEnergy :
Pennsylvania Electric Company of Electric :
Service in All Territories in this :
Commonwealth where Metropolitan :
Edison Company, Pennsylvania Electric :
Company, Pennsylvania Power Company, :
and West Penn Power Company Do or :
May Provide Electric Service; (5) the :
Abandonment by Metropolitan Edison :
Company, Pennsylvania Electric Company, :
Pennsylvania Power Company, and West :
Penn Power Company of All Electric :
Service in this Commonwealth; (6) the :
Adoption by FirstEnergy Pennsylvania :
Electric Company of Metropolitan Edison :
Company, Pennsylvania Electric Company, :
Pennsylvania Power Company, and West :
Penn Power Company's Existing Tariffs :
and their Application within New Service :
and Rate Districts of FirstEnergy :
Pennsylvania Electric Company :
Corresponding to their Existing Service :
Territories as the Met-Ed Rate District, :

Penelec Rate District, Penn Power Rate :
District, West Penn Rate District, and The :
Pennsylvania State University Rate :
District, Respectively; (7) the Sale of Class :
B Membership Interests in Mid-Atlantic :
Interstate Transmission, LLC held by Met- :
Ed and Penelec to FirstEnergy Corp.; (8) :
the Contribution of West Penn Power :
Company's Transmission Assets to :
Keystone Appalachian Transmission :
Company; (9) a Certificate of Public :
Convenience Conferring Upon Keystone :
Appalachian Transmission Company the :
Status of a Pennsylvania Public Utility; :
(10) Where Necessary, Associated :
Affiliated Interest Agreements; and (11) :
Any Other Approvals Necessary to :
Complete the Contemplated Transaction :
:

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, WEST PENN POWER COMPANY,
KEYSTONE APPALACHIAN TRANSMISSION COMPANY, MID-ATLANTIC
INTERSTATE TRANSMISSION, LLC, AND FIRSTENERGY PENNSYLVANIA
ELECTRIC COMPANY**

**STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF
SETTLEMENT OF ALL ISSUES**

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| I. INTRODUCTION | 1 |
| II. STANDARD FOR APPROVAL OF A SETTLEMENT | 2 |
| III. THE SETTLEMENT IS IN THE PUBLIC INTEREST | 3 |
| A. RATES | 8 |
| B. LOW-INCOME PROGRAMS | 18 |
| C. OPERATIONS AND CUSTOMER SERVICE | 24 |
| D. THE PENNSYLVANIA STATE UNIVERSITY (UNIVERSITY PARK CAMPUS) | 28 |
| E. ADDITIONAL PROVISIONS | 29 |
| IV. CONCLUSION..... | 34 |

I. INTRODUCTION

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), West Penn Power Company (“West Penn”), Keystone Appalachian Transmission Company (“KATCo”), Mid-Atlantic Interstate Transmission, LLC (“MAIT”) and FirstEnergy Pennsylvania Electric Company (“FE PA”) (collectively, the “Joint Applicants”) hereby submit this Statement in Support of the Joint Petition for Settlement of All Issues (“Settlement”) entered into by the Joint Applicants, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Met-Ed Industrial Users Group (“MEIUG”), Penelec Industrial Customer Alliance (“PICA”), and West Penn Power Industrial Intervenors (“WPPII”) (collectively, “Industrial Customer Groups”), the Industrial Energy Consumers of Pennsylvania (“IECPA”), and The Pennsylvania State University (“PSU”), all parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”).¹ The Settlement represents a full resolution of all issues raised in the instant proceeding.

The Joint Petitioners unanimously agree that the Joint Application should be approved, subject to the terms and conditions of the Settlement. The Settlement will facilitate, among other things: (1) the proposed merger of Met-Ed, Penelec, Penn Power, and West Penn with and into FE PA (“Proposed Consolidation”); (2) the proposed sale of Class B membership interests in MAIT held by Met-Ed and Penelec to FirstEnergy Corp. (“Proposed Sale of MAIT Class B Interests”); and (3) the proposed contribution of West Penn’s Transmission Assets to KATCo (“Proposed Transmission Contribution”). As set forth in the Joint Application, the Joint

¹ As stated in footnote 1 of the Settlement, the Commission’s Bureau of Investigation and Enforcement (“I&E”), Calpine Retail Holdings, LLC (“Calpine”), and the Retail Energy Supply Association (“RESA”) represented that they are not opposing the Settlement.

Applicants respectfully request that Administrative Law Judges Conrad A. Johnson and Emily I. DeVoe (“ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) approve the Settlement promptly and no later than the Commission’s December 7, 2023 public meeting, so that the merger can close and become effective on or before January 1, 2024.

The Joint Applicants herein submit this Statement in Support of the Joint Application as modified and subject to the terms and conditions of the Settlement. The Settlement reflects a carefully balanced compromise of the Joint Petitioners’ interests. The Joint Applicants submit that the Settlement is in the public interest, just and reasonable, and supported by substantial evidence and, therefore, should be approved without modification.

For the reasons explained below, the Joint Applicants respectfully request that the ALJs and the Commission approve the proposals set forth in the Joint Application, subject to the terms and conditions of the Settlement.

II. STANDARD FOR APPROVAL OF A SETTLEMENT

Commission policy promotes settlements.² Settlements lessen the time and expense that parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding.³

The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest.⁴ To approve a

² See 52 Pa. Code § 5.231.

³ See *id.* § 69.401.

⁴ *Pa. PUC v. MXenergy Electric Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Opinion and Order entered Dec. 5, 2013).

settlement, the Commission must first determine that the proposed terms and conditions are in the public interest.⁵

As explained in the next section of this Statement in Support, the Joint Applicants believe that the Settlement is just and reasonable and in the public interest and, therefore, should be approved without modification.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

The Joint Petitioners agree that the Settlement is in the public interest.⁶ The Settlement was achieved only after a comprehensive investigation of the Joint Applicants' proposals set forth in the Joint Application. In addition to informal discovery, the Joint Applicants responded to many formal discovery requests. The active parties submitted multiple rounds of testimony, including the Joint Applicants' direct testimony, the other parties' direct testimony, the Joint Applicants' rebuttal testimony, the other parties' surrebuttal testimony, and the Joint Applicants' rejoinder testimony. Further, the parties engaged in numerous settlement discussions and formal negotiations, which ultimately led to the Settlement.

The active parties undertook significant time and effort to reach a full settlement of all issues in an abbreviated period. To achieve the Settlement, the active parties each had to compromise on different and competing issues and proposals raised in this case. In some instances, and in exchange for reaching an agreement on other issues, the parties collectively agreed to accept or reject a certain party's litigation position or to meet somewhere in between

⁵ *Pa. PUC v. Windstream Pennsylvania, LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Opinion and Order entered Sept. 27, 2012); *Pa. PUC v. C.S. Water and Sewer Assoc.*, Docket No. R-881147, 74 Pa. PUC 767 (Opinion entered July 22, 1991).

⁶ Settlement ¶ 30.

competing litigation positions. As such, in determining whether the Settlement is reasonable and in the public interest, the Settlement should be viewed as a whole.

The Settlement reflects a carefully balanced compromise of the competing interests of the active parties in this proceeding.⁷ The parties in this proceeding, their counsel, and their expert consultants have considerable experience in merger and acquisition proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus in this proceeding on the settled issues. The fact that the Settlement is unopposed, in and of itself, provides strong evidence that the Settlement is reasonable and in the public interest, particularly given the diverse interests of these parties and the active role they have taken in this proceeding.

In addition, the proposed merger, as conditioned by the Settlement, will produce substantial affirmative public benefits upon closing and additional benefits in the future. As explained in the Joint Application and the Joint Applicants' testimony, the Proposed Consolidation will produce both short-term and long-term benefits, including, but not limited to, financing benefits, regulatory and administrative efficiency benefits, improved service quality benefits, and potential for increased investment.⁸ These benefits will result from combining the four commonly-owned electric distribution companies ("EDCs"), *i.e.*, Met-Ed, Penelec, Penn Power, and West Penn ("Pennsylvania OpCos"), into a single EDC that will be more efficient in its operations and have a greater access to capital markets.⁹

For example, the Proposed Transaction's financing benefits will result from interest expense savings on the issuance of new long-term debt, including any refinancing of existing

⁷ Settlement ¶ 30.

⁸ *See, e.g.*, Joint Application ¶¶ 6, 121-130; Joint Applicants St. No. 1 at 34-35.

⁹ *Id.*

debt.¹⁰ As the Joint Applicants explained, hypothetical scenarios can be used to demonstrate the expected type of benefit that the Pennsylvania OpCos anticipate could be realized by virtue of their improved access to capital on a consolidated basis.¹¹ For example, for every 10 basis points (or 0.1%) reduction in the coupon, or interest rate, of a new \$500 million debt offering under more favorable terms, annual interest expense would be reduced by \$500,000.¹² For a range of reference, the Pennsylvania OpCos currently have \$4.2 billion of outstanding debt.¹³ Further, FE PA will become a Securities and Exchange Commission (“SEC”) registrant and, thus, have greater access to capital markets.¹⁴ This immediate benefit will later be reflected in a lower cost of debt in base rates for FE PA.¹⁵

As for regulatory and administrative efficiencies, the Proposed Consolidation will reduce the number of filings and reports currently required to be submitted by each Pennsylvania OpCo and will allow the submission of a single company filing by FE PA.¹⁶ Indeed, as shown in Joint Applicants Exhibit JMS-13, almost 75% of the Pennsylvania OpCos’ filings and reports with the Commission will be streamlined in some way.¹⁷ By reducing these redundancies, the Proposed Consolidation will produce efficiencies for both the companies and regulatory staff that will only grow with time.¹⁸ Also, the efficiencies produced by the Proposed Consolidation would allow employees to focus on improving the quality of the tasks performed and to work on other multi-year corporate improvement initiatives, such as planning longer-term improvement projects.¹⁹

¹⁰ Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16.

¹¹ Joint Applicants St. No. 3R at 10.

¹² *Id.*

¹³ *Id.*

¹⁴ Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16.

¹⁵ Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 3 at 16-17.

¹⁶ Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 2 at 15; Joint Applicants St. No. 1R at 6-7.

¹⁷ Joint Applicants St. No. 1R at 6-7; *see* Joint Applicants Exhibit JMS-13.

¹⁸ Joint Applicants St. No. 1 at 34; Joint Applicants St. No. 1R at 6-7.

¹⁹ Joint Applicants St. No. 1 at 34.

Additionally, certain business tasks, currently performed in duplicative manners by the current Pennsylvania OpCos, would be consolidated and performed by a single company post-merger.²⁰

Moreover, the Joint Applicants set forth several benefits from the Proposed Sale of MAIT Class B Interests and the Proposed Transmission Contribution.²¹ The capital received from the sale of the passive Class B membership interests in MAIT to FirstEnergy Corp. will be used with the goal of strengthening Met-Ed's and Penelec's credit profiles, balance sheets, and funding their capital expenditures.²² Meanwhile, the Proposed Transmission Contribution will principally result in increased transparency with respect to West Penn's distribution and transmission businesses and will further streamline the Pennsylvania OpCos' consolidation of electric distribution assets by separating West Penn's transmission assets.²³ Also, investors perceive the transmission-only and distribution-only models as having clear investment purposes, which should benefit each Company long-term.²⁴ The Proposed Transmission Contribution also will align the structure of West Penn's transmission facilities with the structure of the other Pennsylvania OpCos, as the Commission previously authorized MAIT's acquisition of Met-Ed's transmission facilities and American Transmission Systems Incorporated's ("ATSI") acquisition of Penn Power's transmission facilities.²⁵ Therefore, the contribution of West Penn's transmission assets to KATCo will align its operations with those of its peers.²⁶

From a transmission perspective, the consolidation of Transmission Assets within KATCo will allow interested parties to easily review the annual updates to the transmission

²⁰ Joint Applicants St. No. 1 at 34.

²¹ Joint Application ¶¶ 131-139; Joint Applicants St. No. 1 at 36-40; Joint Applicants St. No. 3 at 17; Joint Applicants St. No. 3R at 3-4.

²² Joint Applicants St. No. 3 at 17.

²³ Joint Applicants St. No. 1 at 37; Joint Applicants St. No. 3R at 4.

²⁴ Joint Applicants St. No. 3 at 17.

²⁵ Joint Applicants St. No. 1 at 37.

²⁶ *Id.*

revenue requirement because that review can be focused on a single entity that owns only transmission assets.²⁷ This increased clarity and transparency will also help attract capital because the added transparency investors favor in a transmission-only model will have no retail customers and receive its revenue from PJM Interconnection, LLC (“PJM”).²⁸ Indeed, by creating separate companies with clear operating businesses, where FE PA will be a distribution only company and KATCo will be a transmission only company, these companies are expected to attract investors that will offer competitive pricing for each company’s future financings that should benefit customers in the long-term.²⁹ The Transaction also will provide the benefit of creating a corporate separation of the transmission business, in addition to the functional separation that exists today.

Finally, the Commission has previously recognized the benefits of proposals akin to the Proposed Consolidation, Proposed Sale of MAIT Class B Interests, and Proposed Transmission Contribution. Particularly, in the *Joint Application of UGI Utilities, Inc., UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc.*, Docket Nos. A-2018-3000381, A-2018-3000382, A-2018-3000383 (Recommended Decision dated September 7, 2018), *adopted* (Order entered Sept. 20, 2018) the Commission recognized that a consolidation of public utility companies that performed certain business functions in duplicate and/or triplicate would be performed on a consolidated basis by a single company in the future. Later, in the *Joint Application of Peoples Natural Gas Company LLC and Peoples Gas Company LLC*, Docket Nos. A-2021-3029831, A-2021-3029833 (Initial Decision dated July 6, 2022), *adopted* (Order entered Aug. 25, 2022), the Commission recognized that the proposed merger would allow for customer service uniformity and the elimination of duplicative business activities (i.e., the installation of duplicative facilities

²⁷ Joint Applicants St. No. 1 at 37.

²⁸ *Id.*; Joint Applicants St. No. 3 at 17-18.

²⁹ Joint Applicants St. No. 3 at 18.

in overlapping service territories). As for the Proposed Sale of MAIT Class B Interests and the Proposed Transmission Contribution, the Commission and other regulatory bodies have recognized the benefits of separating the transmission and distribution functions of electric utilities into separate companies.³⁰ Thus, the ALJs and the Commission should follow suit in reviewing and approving the Joint Application, as modified by the Settlement.

For these reasons and the more specific reasons set forth below, the Joint Application, as conditioned by the Settlement, will produce substantial affirmative public benefits. Therefore, the Settlement as a whole is just, reasonable, and in the public interest. Accordingly, the proposals set forth in the Joint Application should be approved subject to the terms and conditions of the Settlement.³¹

A. RATES

In their direct testimony, the Joint Applicants explained that following the merger, the existing tariffs for the Pennsylvania OpCos, including West Penn's tariff for PSU, will be combined, such that each will operate as a "rate district" under FE PA's tariff.³² The rate districts will be named as follows: Met-Ed; Penelec; Penn Power; West Penn; and PSU.³³ FE PA will provide retail distribution services in each rate district through this consolidated tariff, and each rate district will correspond with the Pennsylvania OpCos' historical geographic service territories.³⁴ FE PA will provide electric service to each rate district under the same rates, terms, and conditions for service as the existing Pennsylvania OpCos.³⁵ Indeed, although the Joint

³⁰ See Joint Applicants St. No. 1 at 38-40.

³¹ Settlement ¶ 32.

³² Joint Applicants St. No. 1 at 10.

³³ *Id.* at 12.

³⁴ *Id.*

³⁵ *Id.*

Applicants made revisions to consolidate the existing retail tariffs into a single tariff,³⁶ the proposed revisions do not alter the currently existing rates, terms, or conditions of service provided in the Pennsylvania OpCos' individual tariffs.³⁷ Rather, any changes reflect the consolidation of the historically separate tariffs into a single tariff.³⁸ Consequently, customers will not experience any impact to their current rates as a result of the Transaction.³⁹ The distribution rates will be the same as the rates that were approved by the Commission in each of the Pennsylvania OpCos' distribution rate cases effective January 27, 2017, and rider rates in effect at the time the Transaction is approved will also remain unchanged.⁴⁰

Even though the Joint Applicants were not proposing changes to current rates in this proceeding, other parties raised issues and concerns about the alleged impact of the Transaction on customers' rates. Specifically, OCA recommended that the Commission condition the transaction on the requirement that "no customer group in any Pennsylvania OpCo or FE PA rate district be extraordinarily disadvantaged or harmed, and that such rate unification adhere to the principle of gradualism."⁴¹ Relatedly, Industrial Customers recommended that the Commission condition its approval on a requirement that the Joint Applicants "not seek total consolidation of rates in fewer than three rate cases."⁴² Industrial Customers also recommended that the Commission condition its approval on the Joint Applicants "provid[ing] a report to stakeholders twice annually during consolidation, and prepare for filing during each of the consolidating rate cases in the future two cost of service studies: one showing rate consolidation impacts only on what are presently separate classes of customers in each organization, and the second showing

³⁶ Joint Applicants Exh. JMS-11.

³⁷ Joint Applicants St. No. 1 at 13.

³⁸ *Id.*

³⁹ *Id.* at 10.

⁴⁰ *Id.*

⁴¹ OCA St. No. 1 at 16.

⁴² Industrial Customers St. No. 1 at 26-27.

full rate changes associated with the single company rate consolidation.”⁴³ OCA and Industrial Customers also recommended that the Commission condition its approval of the Joint Application on imposing a three-year base rate case stay-out.”⁴⁴ OCA further proposed that FE PA should provide an “informative/illustrative filing” with the Commission showing elements such as cost of design, rate design, rate allocation, at least one year prior to a rate case filing with rate unification,⁴⁵ and Industrial Customers recommended that impose certain audit requirements before the next base rate case during the proposed base rate case stay-out period.⁴⁶

In rebuttal, the Joint Applicants responded to all of these recommendations. The Joint Applicants agreed that any future rate unification should account for the principle of gradualism.⁴⁷ However, the extent of any rate increases or decreases as part of that rate unification effort is an issue best reserved for FE PA’s future base rate cases.⁴⁸ Moreover, the Joint Applicants maintained that it is premature to determine how many rate cases it will take to consolidate FE PA’s rate divisions’ rates.⁴⁹ Although the Joint Applicants expect that it will take at least two cases, the Joint Applicants averred that it is inappropriate to impose a condition that such rate consolidation occur over no fewer than three base rate cases as part of this proceeding.⁵⁰ Such an issue is best left to the actual base rate cases, where FE PA’s proposed rates will be evaluated by all interested parties and the Commission.⁵¹ In regard to filing a cost of service for each rate district and for FE PA combined, the Joint Applicants agreed with the

⁴³ Industrial Customers St. No. 1 at 28.

⁴⁴ OCA St. No. 1 at 27; Industrial Customers St. No. 1 at 26.

⁴⁵ OCA St. No. 1 at 28.

⁴⁶ Industrial Customers St. No. 1 at 15-16, 27.

⁴⁷ Joint Applicants St. No. 1R at 16.

⁴⁸ *Id.*

⁴⁹ Joint Applicants St. No. 1R at 16.

⁵⁰ *Id.* at 17.

⁵¹ *Id.*

recommendation to file the two cost of service studies in its next base rate case.⁵² However, the Joint Applicants disagreed with the recommendation that the Joint Applicants provide a report to stakeholders twice annually during consolidation, reasoning that it was unclear what this report would provide and why it is necessary.⁵³

The Joint Applicants also disputed the proposed three-year base rate case stay-out. The decision to file a base rate case is driven by capital expenditures and expenses projected to be incurred by FE PA, as well as the operating revenues to be received, in the test year.⁵⁴ The Joint Applicants also were unaware of any case where the Commission imposed a three-year base rate case stay-out as a condition on a merger of affiliated public utilities.⁵⁵ As for OCA's proposal for an "informative/illustrative filing" one year before the base rate case, the Joint Applicants disagreed with that recommendation because the financials of that period would not reflect the actual numbers of the rate case filed one year later.⁵⁶ The Joint Applicants asserted that implementing complex analysis and modeling would result in additional regulatory expenses with no cognizable benefit to the Commission, customers, or stakeholders.⁵⁷ Additionally, Industrial Customers' audit recommendations assume that a three-year rate case stay-out is imposed.⁵⁸ It would be unrealistic to complete an audit after the Commission rules on the Joint Application and before FE PA files a base rate case in 2024.⁵⁹ Also, the Commission oversees periodic management audits of Pennsylvania utilities in accordance with Section 516 of the

⁵² Joint Applicants St. No. 1R at 17.

⁵³ *Id.*

⁵⁴ *Id.* at 19.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.* at 20.

⁵⁹ *Id.*

Public Utility Code, so implementing additional audits is unnecessary and will only create extra work for the Commission and add more expenses.⁶⁰

In surrebuttal, OCA agreed that the exact rates will be handled in future rate cases but maintained that the Commission should still impose a commitment to protect all customers groups from being extraordinarily disadvantaged or harmed from future rate unification.⁶¹ OCA also continued to recommend that the Commission impose a three-year base rate case stay-out as a condition of approving the Joint Application.⁶² Industrial Customers similarly argued that the Joint Applicants' rebuttal testimony did not affect their proposed conditions on approval of the Joint Application.⁶³

The Settlement represents a reasonable compromise of the parties' positions on the impact of the Transaction on customers' rates. Under the Settlement, in line with the concept of gradualism, the Joint Applicants will not propose to reach full base distribution rate unification of all classes until the conclusion of three rate cases, filed on or after January 1, 2025, or a period of 10 years from the date of the Commission's approval of the Transaction, whichever occurs first, except that any newly introduced base distribution rate, for which no customers are currently receiving service and on which any customers eligible to take service on this newly introduced rate would voluntarily enroll, can be charged as one FE PA uniform rate (*e.g.*, new EV or lighting rates), as approved by the Commission in any subsequent rate case.⁶⁴ FE PA is not precluded from proposing unification of any of its tariff rules and regulations of service and associated fees prior to January 1, 2025.⁶⁵ The Joint Applicants also will file four cost of service

⁶⁰ Joint Applicants St. No. 1R at 20.

⁶¹ OCA St. No. 1SR at 8.

⁶² *Id.* at 9.

⁶³ Industrial Customers St. No. 1SR at 12.

⁶⁴ Settlement ¶ 32.

⁶⁵ *Id.*

models, one for each Rate District with PSU as part of the West Penn Rate District, as well as a consolidated FE PA cost of service model, in the next rate case after the Proposed Consolidation is approved, and in each of the subsequent rate cases until full rate consolidation is achieved.⁶⁶ Further, the Joint Petitioners' intent is that no customer group in any FE PA Rate District should be extraordinarily disadvantaged or harmed in the event of a rate unification and that such rate unification should adhere to the principle of gradualism.⁶⁷ The Joint Applicants also will maintain a list on the FE PA website of the historical rate schedules for each of the Rate Districts on a rolling five-year basis, including zonal and system scaling factors for the industrial classes, by Rate District, applicable during each rate term.⁶⁸ Therefore, the Settlement sets forth reasonable parameters and filing requirements for the unification of FE PA's rates in future base rate cases.

In addition, as part of their dispute over whether the Transaction will produce substantial affirmative public benefits, other parties recommended that the Joint Applicants be required to track savings resulting from the Transaction. OCA recommended that FE PA be required to identify and track the merger savings in a regulatory liability account to be flowed back to ratepayers in a future rate case.⁶⁹ Similarly, CAUSE-PA recommended that the Joint Applicants “be required to develop a proposal for how [FE PA] will quantify and track cost savings as a result of the Transaction – including any savings derived as a result of changes to FirstEnergy’s operations and management as a result of the Transaction– and how identified cost savings will be used to benefit its customers” and that FE PA be required “to set forth its proposal in the

⁶⁶ Settlement ¶ 33.

⁶⁷ *Id.* ¶ 36.

⁶⁸ *Id.* ¶ 39.

⁶⁹ OCA St. No. 1 at 10.

context of its next base rate proceeding or within six months of approval of the Transaction, whichever is sooner.”⁷⁰

The Joint Applicants countered these recommendations in their rebuttal testimony. The Joint Applicants explained that tracking savings is unnecessary, as FE PA savings will automatically flow to customers through base rate cases.⁷¹ Also, FE PA expects to file a rate case in 2024, and it will pass any savings from Transaction results to customers through the base rate case test year.⁷²

In surrebuttal, OCA maintained that the tracking of savings from the Transaction is necessary because the Joint Applicants allegedly neglected the impact of regulatory lag, i.e., the time period between the realization of benefits by a utility (either through reduced costs or increased revenues compared to test year assumptions) and reflection of these benefits in regulated rates.⁷³ OCA asserted that if FE PA files a rate case in 2024, then the purported efficiencies and other cost savings from the Transaction will not be included in the base rate case test year because not enough time will have passed between the completion of the Transaction and the filing of the base rate case for the benefits to be substantially or fully realized before the filing of the base rate case.⁷⁴ CAUSE-PA also reiterated its proposal for FE PA to track savings from the Transaction, averring that it is insufficient to allege that savings will automatically flow to customers through test year inclusion in the next base rate case.⁷⁵

⁷⁰ CAUSE-PA St. No. 1 at 30.

⁷¹ Joint Applicants St. No. 1R at 10.

⁷² *Id.*

⁷³ OCA St. No. 1SR at 7.

⁷⁴ *Id.*

⁷⁵ CAUSE-PA St. No. 1SR at 13-14.

In their rejoinder testimony, the Joint Applicants continued to oppose a tracking mechanism and argued that OCA’s claim about the impact of regulatory lag was mistaken.⁷⁶ FE PA will utilize a Fully Projected Future Test Year (“FPFTY”) in future base rate cases, which looks at the budgeted expenses for that future time period that begins at the same time as new rates would become effective.⁷⁷ Therefore, a base rate case filed in early 2024 would use calendar year 2025 as its FPFTY and reflect FE PA’s projected financial results for calendar year 2025, including any savings realized during the FPFTY that resulted from the Transaction.⁷⁸

The Settlement represents a reasonable compromise of the parties’ positions regarding the tracking of savings resulting from the Transaction. The Joint Applicants will track savings in operating expenses achieved as a result of the proposed Transaction attributable to the Pennsylvania OpCos related to the categories listed in Paragraph 34(a) through (e) of the Settlement.⁷⁹ These savings will be placed into a regulatory liability account to be flowed back to ratepayers in each next applicable base rate case for five years following entry of a final Commission order on this Settlement.⁸⁰ Any savings remaining at the conclusion of the five-year period will be flowed back at the first available rate proceeding.⁸¹ FE PA will include as part of each base rate case filing during this period incremental and cumulative data quantifying the financial benefits provided to ratepayers as a result of the consolidation related to the following categories of savings:

- a. Cost of debt savings associated with any new financings by FE PA or refinancing of the Pennsylvania OpCos’ existing debt as assumed by FE PA, using an assumption of a five basis point savings for each such financing/refinancing;

⁷⁶ Joint Applicants St. No. 1RJ at 2.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ Settlement ¶ 34.

⁸⁰ *Id.*

⁸¹ *Id.*

- b. Reduced contractor reliance in support of non-extraordinary storm restoration events that are not otherwise reflected as real-time savings in the Pennsylvania OpCos' storm reserve accounts;
- c. Efficiencies gained due to consolidation of the Pennsylvania OpCos' substation planning and scheduling operations;
- d. Reduced contractor reliance due to increasing the ability to share resources across territorial boundaries as union contracts permit; and
- e. Any pre-existing financial or regulatory reports that can be consolidated or streamlined, as such takes place.⁸²

With respect to the amounts that will be tracked and recorded to a regulatory account as set forth in Paragraph 34, all parties reserve the right to raise all arguments with respect to the determination of any savings, the attribution of any savings to the former Pennsylvania OpCos, and whether any or all of the amounts to be determined should be flowed through to ratepayers in each base rate case that occurs over the period contemplated by Paragraph 34.⁸³ Thus, the Settlement specifically addresses the other parties' recommendations for the establishment of a savings tracker mechanism, while reserving the treatment of those savings to future base rate cases.

Lastly, the Joint Applicants noted in direct testimony that a Ground Lease will be put into place between FE PA (as lessor) and KATCo (as lessee). A copy of the Ground Lease was provided as Joint Applicants Exhibit No. AP-8. Under the Proposed Transmission Contribution, West Penn LLC will not contribute land or other real estate interests associated with the transferred transmission assets.⁸⁴ Instead, West Penn LLC and KATCo will enter into the Ground Lease, and all of West Penn LLC's rights and obligations under the Ground Lease will transfer to FE PA by operation of law following the merger of West Penn LLC with and into FE

⁸² Settlement ¶ 34.

⁸³ *Id.* ¶ 35.

⁸⁴ Joint Applicants St. No. 2 at 12.

PA.⁸⁵ The associated transmission land and other real estate interests, as well as the Ground Lease payments from KATCo to FE PA will be excluded from future distribution base rate cases.⁸⁶ This exclusion is consistent with the existing ratemaking treatment for land interests that are booked to Federal Energy Regulatory Commission (“FERC”) Account 350.⁸⁷ Such costs have historically been reflected in the determination of West Penn’s transmission rates but have been excluded from the determination of West Penn’s distribution rate base as non-jurisdictional.⁸⁸

The Settlement addresses the ratemaking treatment of the Ground Lease. In particular, to the extent FE PA seeks to include in distribution rates the revenue requirement related to any underlying land, or a proportional share of underlying land, that is subject to the Ground Lease, FE PA agrees that any Ground Lease revenues associated with that underlying land, or proportional share of the underlying land, will also be included as a component of its distribution revenue in the future FE PA distribution rate proceedings before the Commission where such revenue requirements are claimed.⁸⁹ Also, pursuant to Paragraph 38 of the Settlement, KATCo will file an annual report with the Commission on May 1 of each year for five years after the contribution of the transmission assets from West Penn to KATCo has been completed that identifies the calculation of the Ground Lease payments.⁹⁰ These provisions help clarify the ratemaking treatment of the Ground Lease revenues and will provide interested stakeholders with information to help them track the Ground Lease revenues. As such, the Settlement reasonably addresses rate-related issues concerning the Ground Lease.

⁸⁵ Joint Applicants St. No. 2 at 12.

⁸⁶ Joint Applicants St. No. 1 at 18.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ Settlement ¶ 37.

⁹⁰ *Id.* ¶ 38.

In sum, the Settlement addresses and reasonably resolves all of the rate-related issues that were raised in this proceeding. As such, these provisions are just and reasonable and should be approved without modification.

B. LOW-INCOME PROGRAMS

The Joint Applicants averred that the Transaction will not affect the service provided to low-income customers who participate in the current Universal Service Programs or those low-income customers who do not participate in such programs.⁹¹ The Pennsylvania OpCos' Universal Service Programs are managed by Customer Service and share a common set of systems, rules, and processes.⁹² Also, FE PA did not propose to make any changes to the Companies' programs included in the Universal Service and Energy Conservation Plan ("USECP") approved by the Commission on July 11, 2019, at Docket Nos. M-2017-2636976, *et al.* or to the pending USECP for 2024 through 2028 at Docket Nos. M-2022-3036532, *et al.*⁹³ However, if the Joint Application is approved, the Commission-approved USECP programs will be reviewed for the need to make any changes in light of consolidation and any changes will be filed for Commission approval.⁹⁴ Otherwise, the then-effective programs will remain in effect until they are consolidated in a future proceeding.⁹⁵

Both OCA and CAUSE-PA recommended that FE PA allow Pennsylvania Customer Assistance Programs ("PCAP") enrollees who move within the consolidated service territory post-merger to automatically maintain their PCAP enrollment.⁹⁶ CAUSE-PA also made several recommendations related to the existing USECP programs of the Pennsylvania OpCos that FE

⁹¹ Joint Applicants St. No. 1 at 29.

⁹² *Id.* at 29-30.

⁹³ Joint Applicants St. No. 1R at 11.

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ OCA St. No. 2 at 4; CAUSE-PA St. No. 1 at 28.

PA will maintain in the applicable rate districts if the Transaction is approved, including: (1) increasing the Pennsylvania OpCos' annual contribution to their Hardship Funds to \$800,000; (2) ensuring that PCAP customers moving within rate districts retain their PCAP status and do not have to reenroll independently; (3) making changes to the Universal Service Advisory Committee ("USAC") meetings, such as holding quarterly USAC meetings and committing to collaborate with USAC members on certain topics; (4) requiring FE PA to maintain the structure and staffing levels for its USECP programs consistent through the term of its pending proposed USECP at Docket Nos. M-2022-3036532, *et al.*; and (5) requiring FE PA, before making a proposal to consolidate its USECPs, to discuss merging the programs at its USAC meetings and seek input and recommendations from the USAC members.⁹⁷

In rebuttal, the Joint Applicants agreed with most of these recommendations, except for the proposed increase in annual contribution to the Hardship Funds to \$800,000.⁹⁸ The Joint Applicants first noted an inconsistency in CAUSE-PA's Hardship Fund recommendation, as CAUSE-PA Witness Miller claimed in discovery that he "did not specify that his recommendation to increase hardship fund donations come from increased public utility and shareholder dollars."⁹⁹ However, CAUSE-PA specifically recommended the following condition on the merger: "Increase utility and shareholder contributions for FirstEnergy's Hardship Fund Program by \$800,000 annually (along with a proportional increase in administrative funding), with any unspent funding for the previous program year being rolled over to be used for hardship grant funding for the subsequent program year."¹⁰⁰ Moreover, the Joint Applicants asserted that CAUSE-PA's recommendation was based on an inappropriate comparison of the major

⁹⁷ CAUSE-PA St. No. 1 at 26-29, 31-32

⁹⁸ *See* Joint Applicants St. No. 1R at 11-16.

⁹⁹ *Id.* at 12.

¹⁰⁰ *Id.* (quoting CAUSE-PA St. No. 1 at 33.)

Pennsylvania EDCs’ total Hardship funding, which consists of utility/shareholder and voluntary ratepayer contributions.¹⁰¹ As such, CAUSE-PA’s recommendation would make FE PA’s annual utility/shareholder contributions per customer the highest in the Commonwealth.¹⁰² Coupled with CAUSE-PA’s recommendations that any unspent funds be rolled over to the next program year and that administrative funding for the Hardship Fund be increased “proportional[ly],” CAUSE-PA’s recommendation would drastically expand the required funding for the Hardship Fund.¹⁰³

In surrebuttal, CAUSE-PA maintained that its proposed increase to the Hardship Fund was appropriate.¹⁰⁴ CAUSE-PA asserted that it considered overall contributions to Hardship Funds in comparable service territories and that to ensure adequate affirmative public benefits as a result of the proposed Transaction, the Joint Applicants should be required to increase overall contributions to its Hardship Fund at least on par with comparable utilities.¹⁰⁵

The Settlement memorializes the USECP-related recommendations to which the Joint Applicants agreed and then reasonably addresses the other low-income issues raised by OCA and CAUSE-PA. The Settlement provides that the staffing levels of FE PA’s Universal Service Program(s) will not be reduced as a result of the Transaction for the duration of its pending USECP, from 2024 through 2028, at Docket Nos. M-2022-3036532, *et al.*¹⁰⁶ Staffing levels will be maintained, notwithstanding retirements and voluntary separations.¹⁰⁷

Also, as of the date of the final Order in this matter, and until all interested parties agree to a modification, the Joint Petitioners commit that FE PA will host its USAC on a quarterly

¹⁰¹ Joint Applicants St. No. 1R at 12-13.

¹⁰² *Id.* at 14.

¹⁰³ *Id.*

¹⁰⁴ CAUSE-PA St. No. 1SR at 12-13.

¹⁰⁵ *Id.* at 12.

¹⁰⁶ Settlement ¶ 40.

¹⁰⁷ *Id.*

basis through each calendar year for the purpose of presenting any proposed changes or amendments to program design or administration prior to advancing a formal proposal or otherwise implementing such changes, and discussing issues and questions that may be occurring in the communities it serves related to Consolidation or its Universal Service Program(s).¹⁰⁸ FE PA also commits to share program data with USAC members in advance of each USAC meeting to help facilitate informed discussions.¹⁰⁹ Data will include program participant data, spending levels (including but not limited to current spending levels and remaining funding of hardships grants), and other relevant program metrics as agreed upon by the parties for each USECP (including number of new enrollees in USECPs, number of new customers who were removed from the PCACP and the reason for removal, new outreach activities and efforts by FE PA, the number of PCAP participants who have reached 90% and 100% of their maximum CAP credit limits).¹¹⁰

While USAC meetings are intended to provide a platform for open dialogue and feedback regarding programming, the Joint Petitioners agree that the meetings are not a forum where USECP cost allocation to other customer classes will be deliberated.¹¹¹ Further, in an effort to increase the diversity and range of community voices in the USAC, FE PA will recruit additional members to its USAC from groups such as local housing providers, food assistance providers, weatherization and home repair providers, community health clinics, domestic violence agencies, immigrant and refugee resettlement organizations, and other local community-based

¹⁰⁸ Settlement ¶ 41.

¹⁰⁹ *Id.* ¶ 42.

¹¹⁰ *Id.* ¶ 42.

¹¹¹ *Id.* ¶ 43.

organizations serving low-income individuals and communities within the FE PA service territory.¹¹²

The Settlement further provides that the Joint Applicants are committed to making the transfer of a PCAP enrollment status as seamless as possible for PCAP enrollees who move from one Rate District to another.¹¹³ There are currently system limitations that prevent FE PA from automatically moving customers into and out of different Rate District across the service territory.¹¹⁴ The Joint Applicants commit to conducting further analysis of possible options for providing this optionality across the entire Pennsylvania footprint.¹¹⁵ The Joint Applicants will provide an update to its USAC as a standing agenda item until such time as FE PA reaches full implementation of the ability to provide seamless transition of enrollment for PCAP enrollees who move from one Rate District to another.¹¹⁶

As for the Hardship Fund, the Joint Applicants agree to make contributions of \$150,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for a period of three years after Commission approval of the Transaction.¹¹⁷ The Joint Applicants additionally agree to make contributions of \$100,000 annually to the Hardship Fund of FE PA, incremental to the current “matching contribution,” for the following two years.¹¹⁸ Any unspent funding from the annual contributions will be rolled over to be used for Hardship funding for the subsequent program year.¹¹⁹ These will be shareholder contributions and not recovered from ratepayers.¹²⁰

¹¹² Settlement ¶ 44.

¹¹³ *Id.* ¶ 45.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.* ¶ 46.

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.*

Subject to the provisions of any implementation orders or other direction issued by the Commission, at such time that the Pennsylvania Department of Human Services notifies the Low-Income Home Energy Assistance Program (“LIHEAP”) Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, FE PA will implement required modifications to its Information Technology (“IT”) system and processes, within a reasonable time frame not to exceed one year, to automatically recertify an existing PCAP participant’s income and eligibility.¹²¹ Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing to recertify LIHEAP recipients for PCAP purposes as soon as practicable.¹²² All related costs to modify IT systems and processes shall be eligible for timely recovery, including any related interim costs related to manual processing.¹²³ All LIHEAP recipients identified in the data exchange will be deemed by FE PA as confirmed low-income customers and will be eligible for winter shutoff protections.¹²⁴ FE PA commits to conducting outreach to all LIHEAP recipients identified in the data exchange that are not current PCAP participants to encourage enrollment in the program.¹²⁵

Based on the foregoing, the Settlement incorporates the commitments agreed to by the Joint Applicants in testimony and reasonably balances the parties’ positions on other low-income program issues. Indeed, the Settlement reflects a reasonable compromise of the parties’ positions on the increase in contributions to the Hardship Fund and establishes processes to help ensure that customers enrolled in PCAP can move between rate districts without having to reenroll in the program. The Settlement’s provisions also are designed to improve the

¹²¹ Settlement ¶ 47.

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ *Id.*

recertification process for PCAP customers and the identification of confirmed low-income customers by leveraging the Pennsylvania Department of Human Services' data sharing of LIHEAP participants' income data. For these reasons, the Settlement's provisions that resolve the low-income related issues are just and reasonable and should be approved without modification.

C. OPERATIONS AND CUSTOMER SERVICE

As part of their direct testimony, the Joint Applicants stated that operationally, the Pennsylvania OpCos' customers will continue to receive safe and reliable service after the merger.¹²⁶ The branding of the individual companies will not change in the near-term, and in the long-term, customers will benefit from the various advantages identified in the Joint Applicant's testimony.¹²⁷

However, OCA expressed a concern about KATCo and FE PA potentially withdrawing from PJM and recommended that the Commission condition its approval of the Joint Application on KATCo and FE PA agreeing to remain in PJM.¹²⁸ Industrial Customers also relayed a similar concern and recommendation.¹²⁹ Additionally, CAUSE-PA raised concerns about FE PA's commitment to maintaining a Pennsylvania presence and recommended that the Commission require FE PA to obtain Commission approval before moving or otherwise making changes to its call centers in Pennsylvania.¹³⁰

In rebuttal, the Joint Applicants confirmed that KATCo will not withdraw transmission facilities from the operational control of PJM unless KATCo has first applied for and obtained

¹²⁶ Joint Applicants St. No. 1 at 29.

¹²⁷ *Id.*

¹²⁸ OCA St. No. 1 at 26, 28.

¹²⁹ Industrial Customers St. No. 1 at 27.

¹³⁰ CAUSE-PA St. No. 1 at 30-31.

authorization by order of the Commission.¹³¹ Joint Applicants also clarified that FE PA does not intend to change its call center services or hours as a result of this Transaction and plans to keep FE PA's business address in Pennsylvania.¹³²

OCA stated that the Joint Applicants adequately addressed its concern about KATCo and FE PA potentially withdrawing from PJM.¹³³ However, CAUSE-PA asserted that the Commission should still require FE PA to maintain call center presence in Pennsylvania and to maintain the structure staffing levels for its USECP programs through the term of the proposed USECP.¹³⁴

Under the Settlement, the Joint Applicants shall not withdraw transmission facilities from the operational control of PJM unless KATCo has first applied for, and obtained, authorization by order of the Commission.¹³⁵ This provision memorializes the Joint Applicants' commitment from their rebuttal testimony. Moreover, the Settlement provides that FE PA will commit to the following related to its call center operations:

- a. Maintaining the location of a Pennsylvania call center for a period of five years;
- b. If, subject to the commitment reflected in Paragraph 49(a), future business circumstances support a change in contact center location or construct, FE PA will take steps to ensure that a Pennsylvania-focused presence and awareness is represented within its contact center operations through means including targeted recruiting efforts for Pennsylvania-based representatives, inclusion of a Pennsylvania-focused refresher training module to be provided to all representatives taking calls from FE PA customers, and advance notice and discussion with the parties to this settlement of FE PA's plans to eliminate and otherwise provide for the services enjoyed by the Joint Applicants' customers by the Reading, Pennsylvania contact center;

¹³¹ Joint Applicants St. No. 1R at 18.

¹³² *Id.* at 15.

¹³³ OCA St. No. 1SR at 10.

¹³⁴ CAUSE-PA St. No. 1SR at 14.

¹³⁵ Settlement ¶ 48.

- c. Maintaining the services offered to residential customers by its call centers as of July 2023 for a period of 5 years. The services are as follows:
 - i. Support during outages – Log power out reports from customers, provide updates to customers on estimated time of restoration for outages, log reports from customers of downed powerlines and equipment, etc.;
 - ii. Planning for a move – Assist customers before, during and after the move process (start / stop / transfer of service);
 - iii. Submit service requests for tree problems, lighting problems, and electrical work;
 - iv. Answer billing questions – Questions pertaining to high bills, high usage, and bills based on estimated meter readings rather than actual readings;
 - v. Take payments and answer payment questions – Offer payment plans/arrangements to customers in need of extra time to pay their electricity bills;
 - vi. Provide information on all Universal Service Programs and assistance from other community-based organizations;
 - vii. Provide information on ways to save energy – Information on energy audits, energy efficiency programs, etc.;
 - viii. Provide information on products and services – Information on electrical work, tree trimming, electric vehicle charging installation, outdoor lighting, surge assistance, etc.;
- d. Maintaining minimum hours that call centers are available to customers of Monday through Friday, 8:00 AM to 6:00 PM; and
- e. Maintaining the use of Interactive Voice Response (“IVR”) systems during business and nonbusiness hours as in place as of July 2023.¹³⁶

In addition, the Settlement states that FE PA shall conduct a monthly review of customer disputes, complaints, and the Commission’s Bureau of Consumer Services compliance findings

¹³⁶ Settlement ¶ 49. Changes in this settlement related to call center hours/day of operation and use of IVR systems shall not be construed to alter the changes and/or enhancements to call center operations set forth in the Joint Settlement approved at Docket Nos. P-2019-3013979, *et al.* See *Joint Petition of Metropolitan Edison Co., Pennsylvania Electric Co., Pennsylvania Power Co., and West Penn Power Co. for Approval of their Involuntary Remote Disconnect Procedures*, Docket Nos. P-2019-3013979, *et al.* (Order entered July 3, 2023).

to identify and respond to root cause(s) based on patterns and practices reflected in these indicia of customer dissatisfaction to ensure high level performance for its customers.¹³⁷ The review will identify trends and areas for performance improvement and will be reported out to management.¹³⁸ The monthly reports and management response will be shared at each quarterly meeting with the USAC.¹³⁹

Also, under the Settlement, FE PA commits to maintaining its customer service performance for customer call center, reliability of service, billing, meter reading, and response to customer complaints and disputes at levels consistent with the Pennsylvania OpCos' five-year historical average as reported to the Commission.¹⁴⁰ To the extent that FE PA's performance does not meet this level, FE PA agrees to meet with the parties as requested to discuss those areas of challenge and its plans to improve service levels.¹⁴¹

These Settlement provisions are carefully crafted to address parties' issues about FE PA's operations and customer service after the proposed merger is approved, including CAUSE-PA's concern about the location, operation, and availability of FE PA's call centers. Moreover, the Settlement outlines processes for FE PA and interested stakeholders to review its customer service performance on an ongoing basis. As such, the Settlement is designed to help ensure that customer service performance does not deteriorate due to the Proposed Consolidation. Accordingly, these Settlement provisions are just and reasonable and should be approved without modification.

¹³⁷ Settlement ¶ 50.

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.* ¶ 51.

¹⁴¹ *Id.*

D. THE PENNSYLVANIA STATE UNIVERSITY (UNIVERSITY PARK CAMPUS)

The Joint Applicants proposed to consolidate the five individual retail tariffs of the Pennsylvania OpCos into one combined retail tariff using the five rate districts to continue the current rate structure until a future base rate case filing.¹⁴² As noted previously, the five rate districts would be named Met-Ed, Penelec, Penn Power, West Penn, and PSU.¹⁴³

In its direct testimony, PSU noted certain changes that should be made to the PSU Rate District's tariff page, specifically, revising the Transformer Loss adjustment language and making corrections to the DSS Rider, Smart Meter Rider, and the Hourly Pricing Default Service Rider.¹⁴⁴

In rebuttal, the Joint Applicants agreed to incorporate those changes into its compliance tariff filing.¹⁴⁵ Furthermore, the Joint Applicants identified additional tariff changes that need to be made, such as updating the DSS Rider billing method for industrial customers in the West Penn and Penelec Rate Districts.¹⁴⁶ All of those changes were shown in redline form in Joint Applicants Exhibit JMS-15.¹⁴⁷

Under the Settlement, the Joint Applicants accept the tariff modifications proposed by PSU.¹⁴⁸ Such tariff modifications are incorporated in the *pro forma* tariff supplement included with Appendix A attached to the Settlement and will be incorporated in the compliance tariff filings in this proceeding.¹⁴⁹ The Joint Applicants also commit to maintaining a separate Rate

¹⁴² Joint Applicants St. No. 1 at 12.

¹⁴³ *Id.*

¹⁴⁴ PSU St. No. 1 at 5-7.

¹⁴⁵ Joint Applicants St. No. 1R at 21.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ Settlement ¶ 52.

¹⁴⁹ *Id.*

District and base distribution rates for PSU.¹⁵⁰ All of these Settlement provisions are consistent with the positions set forth by the Joint Applicants and PSU in their testimony and are designed to resolve any ambiguity or inconsistency in the originally-filed *pro forma* tariff supplement pages governing the PSU Rate District. As such, the Settlement provisions are just and reasonable and should be approved without modification.

E. ADDITIONAL PROVISIONS

Another issue raised in the proceeding was the differentiation between transition and Transaction-related costs. In their direct testimony, the Joint Applicants explained that Transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information, and investigate the feasibility of the proposed Transaction and continuing through the completion of the Transaction.¹⁵¹ All Transaction-related costs are being charged to work orders and are recorded to FERC Account 426.5 – Other Deductions on the financial statements of the Pennsylvania OpCos prior to the Transaction, and on the financial statements of FE PA and KATCo after the completion of the proposed Transaction.¹⁵²

However, Industrial Customers averred that the Joint Applicants did not address how transition costs would be handled.¹⁵³ The Joint Applicants explained in rebuttal that transition costs (*i.e.*, costs necessary to consolidate reporting, accounting and rates, including IT costs, internal labor, and any outside consulting costs) would be treated in the same manner as Transaction-related costs and tracked through work orders to be recorded to FERC Account

¹⁵⁰ Settlement ¶ 53.

¹⁵¹ Joint Applicants St. No. 2 at 14.

¹⁵² *Id.*

¹⁵³ Industrial Customers St. No. 1 at 19.

426.5 – Other deductions.¹⁵⁴ Further, the Joint Applicants confirmed that they are committed to excluding all Transaction-related and transition costs from rates charged to customers of all affected companies.¹⁵⁵

Under the Settlement, the Joint Applicants reaffirm that they will not seek recovery of any Transaction and transition costs related to Proposed Consolidation from distribution or transmission rates.¹⁵⁶ The Settlement then defines transition and Transaction-related costs as follows:

- a. Transition costs are defined as those costs necessary to integrate assets into a single utility before and after the transaction is approved. Such costs include reporting, accounting and rates, including IT costs, internal labor, and any outside consulting costs. Transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information and investigate the feasibility of the proposed Transaction and continuing through the completion of the Transaction.
- b. Transition costs will be treated in the same manner as transaction-related costs and tracked through work orders to be recorded to FERC Account 426.5 – Other deductions.

Therefore, the Settlement incorporates the parties' agreement that transition costs and Transaction-related costs will not be recovered through distribution or transmission rates and help provides clarity by defining what is included in those cost categories. Thus, these Settlement provisions are just and reasonable and should be approved without modification.

The Settlement also incorporates several provisions that designed to improve the collaboration between FE PA and stakeholders. Specifically, under the Settlement, FE PA will hold collaborative meetings in advance of filings for modifications to the Joint Applicants' regulatory-required plans or its next scheduled plan filings, to include Default Service Plan,

¹⁵⁴ Joint Applicants St. No. 2R at 6.

¹⁵⁵ *Id.*

¹⁵⁶ Settlement ¶ 54.

USECP, Energy Efficiency and Conservation Plan, Long-Term Infrastructure Improvement Plan and, in the event that PJM implements a seasonal capacity construct, any filings related to revisions to the Joint Applicants' recovery methodology concerning those capacity market changes.¹⁵⁷ The collaborative meetings will be used to discuss the consolidation's impact on each of the respective filings and FE PA's plans to unify such programs moving forward.¹⁵⁸

Similarly, the Joint Applicants commit to initiate twice-yearly meetings with the Industrial User Groups ("IUGs"), including IECPA and the Industrial Customer Groups, to discuss topics of interest, including general reliability, calculation of individual customer peak load contributions, and rate overviews.¹⁵⁹ As part of these meetings, IUG members will be able to provide advance notice of topics of interest for addition to the agenda, which may include individual reliability and/or power quality concerns that will be investigated and addressed as breakout topics with those specific customers, including root cause analysis and options for corrective action.¹⁶⁰ Through these Settlement provisions, the Joint Petitioners aim to improve the collaboration among these interested stakeholders on a variety of subjects and help ensure the Proposed Consolidation does not adversely affect FE PA's service and programs. As such, these Settlement provisions are just and reasonable and should be approved without modification.

Finally, the Settlement clarifies that all prior settlements entered into by the Joint Applicants will survive any approved consolidation or merger and will be enforceable against FE PA to the extent applicable.¹⁶¹ This provision resolves any doubt as to the applicability of prior settlements to FE PA. Such certainty benefits FE PA, the Commission, and interested

¹⁵⁷ Settlement ¶ 55.

¹⁵⁸ *Id.*

¹⁵⁹ *Id.* ¶ 56.

¹⁶⁰ *Id.*

¹⁶¹ *Id.* ¶ 57.

stakeholders. Thus, this Settlement provision is just and reasonable and should be approved without modification.

IV. SETTLEMENT CONDITIONS

The Settlement also sets forth typical terms and conditions governing the Settlement's interpretation, the Joint Petitioners' reservations of rights, and the procedures that apply when the Settlement is approved or modified by the ALJs or Commission.¹⁶² These provisions are just and reasonable because they help clarify the Settlement and the Joint Petitioners' obligations thereunder. Specifically, the Settlement provides that the placement of any provision within the Settlement does not indicate the level of importance of such provision to any Joint Petitioner.¹⁶³ Moreover, the Settlement states that it is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification.¹⁶⁴ If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation, and, in such event, the Settlement shall be void and of no effect.¹⁶⁵ Also, if the proceeding continues, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions.¹⁶⁶ Further, the Settlement is the product of compromise and is being presented without prejudice to the positions that the Joint Petitioners have advanced or may advance in the future.¹⁶⁷ Finally, if the ALJs recommend

¹⁶² Settlement ¶¶ 62-66.

¹⁶³ *Id.* ¶ 62.

¹⁶⁴ *Id.* ¶ 63.

¹⁶⁵ *Id.*

¹⁶⁶ *Id.* ¶ 64.

¹⁶⁷ *Id.* ¶ 65.

adopting the Settlement without modification, the Settlement states that the Joint Petitioners waive their right to file Exceptions.¹⁶⁸

¹⁶⁸ Settlement ¶ 66.

V. CONCLUSION

The Settlement is the result of a detailed examination of the Joint Applicants' proposals, discovery requests, the parties' testimony, numerous settlement discussions, and compromise by all active parties. The Joint Applicants believe that fair and reasonable compromises have been achieved on the settled issues in this case, particularly given the fact that the active parties have diverse and competing interests and have reached an agreement on all issues. The Joint Applicants fully support this Settlement and respectfully request that Administrative Law Judges Conrad A. Johnson and Emily I. DeVoe and the Pennsylvania Public Utility Commission:

- (i) Approve the Joint Petition for Settlement of All Issues without modification; and
- (ii) Approve the proposals set forth in the Joint Application, subject to the terms and conditions of the Joint Petition for Settlement of All Issues.¹⁶⁹

Respectfully submitted,



Tori L. Giesler (ID # 207742)
Darshana Singh (ID # 330971)
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
Phone: 610-921-6658
E-mail: tgiesler@firstenergycorp.com
E-mail: singhd@firstenergycorp.com

David B. MacGregor (ID # 28804)
Devin T. Ryan (ID # 316602)
Garrett P. Lent (ID # 321566)
Megan E. Rulli (ID # 331981)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: dmacgregor@postschell.com
E-mail: dryan@postschell.com
E-mail: glent@postschell.com
E-mail: mrulli@postschell.com

Dated: August 30, 2023

*Attorneys for Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania*

¹⁶⁹ The Joint Applicants reiterate their request that the Commission grant these approvals by no later than the Commission's December 7, 2023 public meeting, so that the merger may close and become effective on or before January 1, 2024.

*Power Company, West Penn Power Company,
Keystone Appalachian Transmission Company,
Mid-Atlantic Interstate Transmission, LLC, and
FirstEnergy Pennsylvania Electric Company*

Appendix F
OCA's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | | |
|--|---|-------------|----------------|
| Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements And Plans of Merger | : | Docket Nos. | A-2023-3038771 |
| | : | | A-2023-3038792 |
| | : | | A-2023-3038793 |
| | : | | A-2023-3038794 |
| | : | | A-2023-3038795 |
| | : | | A-2023-3038807 |
| | : | | A-2023-3038808 |
| | : | | G-2023-3038818 |
| | : | | G-2023-3038819 |
| | : | | G-2023-3038820 |
| | : | | G-2023-3038821 |
| | : | | G-00020956 |

**STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF THE JOINT PETITION FOR
SETTLEMENT OF THE JOINT APPLICATION**

The Office of Consumer Advocate (OCA), a signatory party of the Joint Petition for Settlement of the Joint Application, finds the terms and conditions of the Settlement, which resulted from compromise by the parties to avoid the uncertainty of a fully litigated outcome, to be in the public interest for the following reasons:

I. INTRODUCTION

The Joint Application, filed by Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), West Penn Power Company (West Penn), Keystone Appalachian Transmission Company (KATCo), Mid-Atlantic Interstate Transmission LLC (MAITCo), and FirstEnergy Pennsylvania Electric Company (FE Pa) (collectively, the Joint Applicants), was filed on March 6, 2023. The Application sought to merge First Energy’s Electric Distribution Companies (EDC) into one single company to be known as FE

PA, as well as transfer any transmission assets held by the former EDCs into the Transmission Company MAITCo or KATCo. Under the proposal and as the surviving EDC, the Joint Applicants seek to have FE PA granted: (1) all the service rights and certificates of public convenience of Met-Ed, Penelec, Penn Power, and West Penn; (2) ownership interests in the post-transaction facilities of Met-Ed, Penelec, Penn Power, and West Penn; and (3) six rate districts: ME Rate District, PN Rate District, PP Rate District, WP Rate District, PSU Rate District, and the Waverly Rate District, each of which will correspond to Met-Ed, Penelec, Penn Power, West Penn, and West Penn's service provided to the Pennsylvania State University, respectively.

The OCA filed a Protest and Public Statement in this case on April 4, 2023. The OCA chose to file a Protest in this case because, as filed, the Application did not rise to the level of providing substantial affirmative public benefit. The OCA has completed extensive discovery and filed both Direct and Surrebuttal Testimony of its expert witnesses in this case.

The OCA filed the Direct (OCA St. 1) and Surrebuttal Testimony (OCA St. 1-SR) of Dr. Serhan Ogur.¹ In his direct testimony, Dr. Ogur examined the effect of the proposed transaction as it was filed. OCA St. 1 at 3. Dr. Ogur, in his direct testimony, expressed that of the six benefits accruing to consumers in the application as filed, only two of the six are not merely incremental benefits that already exist by the virtue of a shared parent company. OCA St. 1 at 10-11. Overall, as stated in OCA St. 1, Dr. Ogur reached the conclusion that, as filed, the Application failed to provide significant affirmative public benefit. OCA St. 1 at 27. Dr. Ogur recommended that if the

¹ Dr. Ogur is a Principal of Exeter Associates, Inc. with 20 years of experience in the energy industry specializing in organized wholesale (Regional Transmission Organization/Independent System Operator) and retail electricity markets. Dr. Ogur's diverse background comprises energy management and consulting; analysis, design, and reporting of RTO electricity markets and products; and state and federal regulation of electric utilities. Dr. Ogur's coursework in graduate school focused on Microeconomic Theory, Game Theory, and Industrial Organization. His doctoral dissertation investigates imperfect competition in deregulated wholesale electricity markets and oligopolistic competition between private and public generators.

application were to be approved, certain conditions should be included in the approval in order to protect ratepayers. OCA St. 1 at 27-28.

In addition to Dr. Ogur's Testimony, the OCA also filed the Direct (OCA St. 2) and Surrebuttal Testimony (OCA St. 2-SR) of Barabara Alexander.² Ms. Alexander, in her Direct Testimony, analyzed the filing and concluded that as filed, the Joint Application should be denied. OCA St. 2 at 3. Ms. Alexander, in her direct testimony, expressed that, as filed the Application did not provide any substantial affirmative public benefit to customers and instead created additional risk for customers. OCA St. 2 at 3. Similar to Dr. Ogur, Ms. Alexander included conditions in her direct testimony that should be required if the Application were to be approved. OCA St. 2 at 9-10.

This Settlement addresses the core of many of the above concerns raised by the OCA and, thus, supports the Settlement in this matter as in the public interest.

II. STANDARD FOR APPROVAL OF SETTLEMENT

The Commission encourages parties in contested on-the-record proceedings to negotiate in good faith and attempt to reach an amicable resolution of their issues. *See*, 52 Pa. Code § 5.231. Settlements save time, effort, and expense associated with litigation and potential appeals. Settlements benefit the individual parties, the Commission, and all ratepayers of a utility who otherwise may have to bear the financial burden that litigation entails. A Settlement, by definition,

² Ms. Alexander's consulting practice is directed to consumer protection, customer service and low-income programs and policies relating to the regulation of the telephone, electric and gas industries. Ms. Alexander has provided expert testimony and consulting services to the OCA on issues relating to the implementation of retail energy competition, Default Service, and consumer protection regulations and policies applicable to residential electric and natural gas customers. Ms. Alexander's expertise is also a reflection of over 30 years as a consultant on consumer protection issues for public utility regulation and retail markets for national and state consumer advocates. Ms. Alexander has frequently testified before the Pennsylvania Public Utility Commission on mergers and acquisitions, base rate cases, investigations of retail electricity suppliers, and distribution company proposals for various programs and policies targeted to residential customers. Ms. Alexander is familiar with the rates and policies in effect for the FirstEnergy electric distribution companies in Pennsylvania due to her prior experience with the 2014 base rate case and other proceedings that impact residential customers of these distribution companies.

reflects a compromise of the parties' positions. When active parties in a proceeding reach a settlement, the principal issue for Commission consideration is whether the settlement is in the public interest and consistent with applicable law. *Pa. Public Utility Commission v. CS Water and Sewer Associates*, 74 Pa. PUC 767, 711 (1991); *Pa. Public Utility Commission v. Philadelphia Electric Company*, 60 Pa. PUC 1, 21 (1985).

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. General

As explained throughout this Statement in Support, this Settlement represents a balanced compromise between the Joint Applicants and the various other parties. Taken as a whole, the Settlement is in the public interest. When all of the conditions of the Settlement are considered with the Application, there exists an affirmative public benefit resulting from the transaction.

B. Rates

1. Rate Unification (Settlement ¶¶ 32, 36)

The Settlement provides that the Joint Applicants will not propose to reach full distribution base rate unification of all classes “until the conclusion of three rate cases, filed on or after January 1, 2025, or a period of ten years from the date of the Commission’s approval of the Transaction, whichever occurs first.” Settlement ¶ 32. The Settlement also provides that it is the intent of the parties that no customer group should be extraordinarily disadvantaged or harmed by the rate unification and that the rate unification process should adhere to the principle of gradualism. Settlement ¶ 36. These protections protect the public. The OCA’s witness, Dr. Serhan Ogur, addressed his concerns regarding rate unification following the Application in both his Direct Testimony (OCA St. 1) and his Surrebuttal Testimony (OCA St. 1-SR). In OCA St. 1 Dr. Ogur stated that if the transaction were to be approved, any future rate consolidation between the

currently existing operating companies should adhere to the principles of gradualism. OCA St. 1 at 16, 28. Under the terms of the Settlement, the Company will not propose any rate consolidation until January 1, 2025 at the earliest. Settlement ¶ 32. This restriction will allow the Companies time to assess the merger process and incorporate any savings that may accrue. In addition, the Settlement requires that any Company proposed unification of rates would occur over either a ten-year period or three rate cases filed after January 1, 2025, whichever occurs first. Therefore, any impacts of unification can be phased in reducing any negative impact on customers of the currently separate utilities who pay significantly different distribution rates based on separate cost of service studies. Moreover, the Settlement specifically provides that the rate unification will adhere to principles of gradualism. The proposed Settlement language addresses the OCA's concerns regarding the need for mitigation of rate impacts on customers and applying the principles of gradualism. In addition, while the settlement speaks to the ability of the Company to propose rate consolidation over the applicable period, it does not commit any of the parties to the settlement to support the Company's proposals thus reserving for future rate cases the question of how quickly, if at all, full rate consolidation progresses.

The overall provisions and conditions placed on the Settlement improve on the Application, as filed. In the Application, the Companies stated that they intend to consolidate rates over time. The OCA was concerned that, as rates are merged into uniform rates throughout the existing four service territories, there may be "winners" and "losers" through that process. Under the Settlement, the merged EDC, PA FE, has agreed that it will not pursue consolidation on an expedited basis. Specifically, the Company is not permitted to propose any rate mergers if it files for a base rate increase in 2024. Settlement ¶ 32. Thereafter, the Companies have agreed that it will not propose to fully merge any rate schedules over a period of either ten years, or three rate

cases (whichever is shorter). The OCA submits that the impact of any rate consolidation must be carefully assessed over time to ensure that the benefits that may accrue to customers through this merger are not offset by the potential harm of rate consolidation. The Settlement reaches a reasonable balance on this issue while allowing parties the opportunity to assess any rate consolidation proposals over time.

2. Cost of Service Models and Savings Tracking (Settlement ¶¶ 33-35)

In OCA St. 1, Dr. Ogur expressed concerns regarding the savings resulting from the merger and how those savings would be flowed through to provide a benefit to ratepayers. OCA St. 1 at 10, 16, 27. Dr. Ogur recommended that the savings tracked and placed into a regulatory liability account so that they could be identified, quantified, and flowed back to ratepayers to ensure that consumers benefited from the transaction. OCA St. 1 at 27. OCA witness The Settlement adopts Dr. Ogur's recommendation to implement a regulatory liability account to be flowed back to ratepayers in each next applicable base rate case for five years following the entry of a Commission Order on the Settlement. Settlement ¶ 34. The regulatory liability account will track the savings related to as Cost of debt savings, reduced contractor reliance in support of non-extraordinary storm restoration, efficiencies gained due to consolidation of substation planning and scheduling, reduced contractor reliance due to shared resources, and any preexisting regulatory report or financial report streamlining. Settlement ¶ 34. The Settlement also provides that the Company will file four cost of service models, one for each Rate District, as well as a consolidated cost of service model in each rate case until full consolidation is achieved. Settlement ¶ 33.

The Settlement improves upon the as filed Application by providing a mechanism to track the cost savings and credit them through the regulatory liability account and to pass those savings on to consumers. By effectively tracking and recording savings and costs, the OCA and all parties

will be able to better see the effects of the joint application and use ensure that any savings flow to consumers. In addition, the requirement to continue to file cost of service models based on the now separate utilities will improve visibility into any rate consolidation proposals brought forth by the Company. Therefore, these provisions of the Settlement reasonably address the OCA's concerns regarding savings tracking and is in the public interest. Settlement ¶¶ 37, 38.

3. Ground Leases (Settlement ¶¶ 37, 38)

In OCA St. 1, Dr. Ogur recommended that if the Joint Application were to be approved, that any revenue related to underlying land or a proportional share of underlying land that is subject to a ground lease, any ground lease revenues will also be included as a component of distribution revenue. OCA St. 1 at 28. The Settlement provides that any distribution rate revenue requirement related to underlying land, or a proportional share of underlying land subject to a ground lease FE PA agrees to include the ground lease revenues as a component of distribution revenue. Settlement ¶ 37. Furthermore, KATCO agrees to file an annual report with the Commission on May 1 of each year after contribution of transmission assets from West Penn that identifies the calculation of Ground Lease payments. Settlement ¶ 38. With this provision, the OCA's concerns regarding the ground leases are addressed in the Settlement.

C. Low-income Programs

1. Low-Income Program Staffing (Settlement ¶ 40)

In OCA St. 2, OCA witness Barbara Alexander addressed that one way the Joint Applicants could improve the transaction to provide substantial affirmative public benefits is to ensure that unifying the four Universal Service programs will not lower the benefits or staffing levels for the programs. OCA St. 2 at 3. As part of this Settlement, the Joint Applicants agree that staffing levels will be maintained and will not be reduced as a result of this transaction for the duration of the 2024-2028 Universal Service and Energy Conservation Plan, notwithstanding voluntary separations and retirements. Settlement ¶ 40. This portion of the Settlement addresses the OCA's concern regarding a reduction in universal services staff. By maintaining staffing levels, the risks of decreased performance levels are reduced.

2. Universal Service Advisory Committee (USAC) (Settlement ¶¶ 41-44)

One of the additional conditions that recommended by Ms. Alexander was that FirstEnergy should commit to a collaborative discussion to improve its universal service program. OCA St. 2 at 10. This settlement addresses the condition suggested by Ms. Alexander.

The Settlement provides that Joint Petitioners agree to host Universal Service Advisory Committee meetings on a quarterly basis to propose changes or amendments prior to formal proposals. Settlement ¶ 41. Additionally, FE PA Commits to sharing program data with members of the Universal Service Advisory Committee, and in paragraph 44 FE PA commits to recruiting additional members to the Universal Service Advisory Committee so that more diverse voices may be heard. Settlement ¶¶ 42,44.

The combination of these paragraphs addresses the concerns that the OCA had raised. By committing to host more meetings, recruiting diverse members, and sharing program data FE PA is working toward collaborating with stakeholders in the continue operation, and future integration, of the universal service programs.

3. PCAP Enrollment and Hardship Fund Settlement (Settlement ¶¶ 45-47)

In her direct testimony, Ms. Alexander specifically identified that the current corporate organization of the Joint Applicants does not allow customers to be automatically enrolled in PCAP when moving between FirstEnergy EDCs. The Settlement provides that, the Joint Applicants commit to making the transfer of PCAP Enrollment from one rate district to another as seamless as possible, and that the Joint Applicants will provide an update to its USAC as a standing agenda item until they have achieved full implementation of seamless PCAP transition. Settlement ¶ 45.

In addition to the commitment to working toward a seamless transition for PCAP customers, the Settlement provides that Joint Applicants will make contributions of \$150,000 annually to the hardship fund, incremental to its matching contributions, for three years. Settlement ¶ 46. For two years following the three the joint applicants agree to make \$100,000 donations to the hardship fund, incremental to its matching contributions. Settlement ¶ 46.

The Hardship Fund commitment will provide five years of additional financial support for assistance for low-income customers to maintain essential electric service. The proposed grants will help to ensure that a benefit from the transaction is provided to low-income customers and to help mitigate the harm from future rate increases or rate integration on low-income customers. These commitments are a step in the right direction and will help to ensure that consumers receive the assistance that they need and is a large improvement compared to the Application as filed.

D. The Pennsylvania State University (University Park Campus) (Settlement ¶ 52)

Not applicable.

E. Operations and Customer Service

1. Withdrawal of Transmission Facilities from PJM Operational Control (Settlement ¶ 48)

One of the conditions for approval recommended in OCA St. 1 by Dr. Ogur is that KATCo will not remove the transmission facilities from operational control of PJM without first obtaining authorization by the Commission. OCA St. 1 at 28. The Settlement adopts this recommendation and provides that Joint Applicants will not withdraw transmission facilities from operational control of PJM without first obtaining Commission approval. Settlement ¶48. The Settlement provision ensures that KATCo will remain bound by the condition imposed by the Commission in its approval of the merger of GPU Inc. and FirstEnergy at Docket Nos. A-110200F0095 and A-110400F0040. OCA St. 1 at 28.

2. Call Center Operations (Settlement ¶¶ 49, 50, 51)

In Direct Testimony, Ms. Alexander expressed concerns regarding the effects the transaction would have on the call center. In particular, she testified that there would be no benefit offered through Application regarding Call Center performance because an affiliate would continue to operate the Call Centers and no improvements had been offered. OCA St. 2 at 6-9. Ms. Alexander also recommended requirements that should take place should the Application be approved. OCA St. 2 at 10. In particular, Ms. Alexander recommended that the Companies should improve call center performance and the handling of customer complaints by conducting a regular root cause analysis of customer disputes, complaints, and BCS compliance findings to share best

practices, and to ensure a comparable and high-level performance for all its customers. OCA St. 2 at 10.

The Settlement provides for additional conditions to maintain continuity of quality of customer service operations. The Settlement provides that the Joint Applicants will maintain a call center in PA for five years, or if business circumstances require a change in location a “Pennsylvania focused presence and awareness” when recruiting representatives. Settlement ¶ 49. The Settlement also provides that services offered to residential customers by the call center will be maintained for five years and that the call centers will maintain the minimum hours of Monday – Friday 8:00 AM to 6:00 PM. Settlement ¶ 49. The conditions will maintain a Pennsylvania presence for the Call Center and will ensure the maintenance of the existing Call Center hours.

Furthermore, the Settlement provides that FE PA will conduct OCA witness Alexander’s recommended root cause analysis that will provide a monthly review of customer disputes, complaints and Consumer Services compliance findings to respond based on the patterns that are identified. The monthly reports will be shared at USAC along with the management responses. Settlement ¶50.

F. Additional Provisions

1. Recovery of Transaction Costs (Settlement ¶ 54)

The Settlement provides that the Joint Applicants will not seek any recovery of transaction and transition costs related to the consolidation. Settlement ¶54. The Settlement define Transition costs as

costs necessary to integrate assets into a single utility before and after the transaction is approved. Such costs include reporting, accounting and rates, including IT costs, internal labor, and any outside consulting costs. Transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information and investigate the

feasibility of the proposed Transaction and continuing through the completion of the Transaction.

Settlement ¶ 54. Transition costs will be treated the same as Transaction costs and be recorded in FERC Account 426.5. Settlement ¶ 54.

This portion of the Settlement benefits consumers as it protects them from an increase in rates associated with the costs of this transaction.

2. Collaborative Meetings (Settlement ¶ 55)

In the Settlement, FE PA Committed to holding collaborative meetings in advance of filings for modification of regulatory-required plans or scheduled filings such as default service plans (DSP), USECP, Energy Efficiency and Conservation plans (EE&C Plan), Long-Term Infrastructure Improvement Plan (LTIP), and “in the event that PJM implements a seasonal capacity construct, any filings related to revisions to the Joint Applicants’ recovery methodology concerning those capacity market changes.”. Settlement ¶ 55. This commitment will allow all parties and the OCA to work together in the future to best determine and shape filings that balance the needs of FE PA and the public. As such this commitment to collaborate is in the public interest.

IV. SETTLEMENT CONDITIONS

OCA witnesses Dr. Ogur and Ms. Alexander recommended that the Application should only be approved with the addition of conditions that were absent from the Companies’ originally filed Application. *See generally* OCA St. 1 at 27-29; OCA St. 2 at 10. As noted above, the Settlement incorporates many of the proposed recommended conditions identified by the OCA to address the impact of the proposed merger on customers, including low-income customers. The Settlement provides for additional conditions in order to protect customers from rate impacts and to spread out over time the impact of unification of rates on customers and the impact of cost-of-service changes. Importantly, the Settlement also provides for the tracking and flow through of

savings in future rate cases to ensure that benefits are flowed through to ratepayers. The Settlement also addresses operational concerns regarding the universal service programs and the Call Centers and would provide for additional grant assistance over five years for low-income customers. The OCA submits that the Settlement, with the additional conditions, should be approved as in the public interest.

V. CONCLUSION

In consideration of the commitments outlined above, the OCA submits that this Settlement is in the public interest and should be approved by the Commission.

Respectfully Submitted,

/s/ Andrew J. Zerby

Andrew J. Zerby
Assistant Consumer Advocate
PA Attorney I.D. # 332222
E-Mail: AZerby@paoca.org

Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAppleby@paoca.org

Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

Counsel for:
Patrick M. Cicero
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

DATE: August 30, 2023

4867-0186-1753, v. 11

Appendix G
CAUSE-PA's Statement in Support

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

| | | | |
|--|---|--------------------|-----------------------|
| Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience | : | Docket Nos. | A-2023-3038771 |
| | : | | A-2023-3038792 |
| | : | | A-2023-3038793 |
| | : | | A-2023-3038794 |
| | : | | A-2023-3038795 |
| | : | | A-2023-3038807 |
| | : | | A-2023-3038808 |
| | : | | G-2023-3038818 |
| | : | | G-2023-3038819 |
| | : | | G-2023-3038820 |
| | : | | G-2023-3038821 |
| | : | | G-00020956 |

STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), one of the signatory parties to the Joint Petition for Approval of Settlement (Joint Petition or Settlement), respectfully requests that the terms and conditions of the Settlement be approved by Administrative Law Judge (ALJ) Conrad A. Johnson, ALJ Emily I. DeVoe, and the Pennsylvania Public Utility Commission (Commission). For the reasons stated more fully below, CAUSE-PA asserts that the terms and conditions of the Settlement are in the public interest and should be approved without modification.

I. INTRODUCTION

On March 6, 2023, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission

Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company (hereafter, Joint Applicants or FirstEnergy) filed a Joint Application, in which the Joint Applicants requested authority, approvals, and certificates of public convenience for, what includes but is not limited to: (1) agreements and plans for merger of the Joint Applicants; (2) establishment of FirstEnergy Pennsylvania Holding Company LLC (FE PA); (3) merger of Met-Ed, Penelec, Penn Power, and West Penn with and into FE PA; (4) the initiation by FE PA of electric service in all territories in this Commonwealth where Met-Ed, Penelec, Penn Power, and West Penn do or may provide electric service; and (5) the abandonment by Met-Ed, Penelec, Penn Power, and West Penn of all electric service in this Commonwealth.

In their Joint Application, the Joint Applicants further requested the adoption by FE PA of Met-Ed, Penelec, Penn Power, and West Penn's existing tariffs within new service and rate districts of FE PA corresponding with certain existing service territories. The Joint Application consolidates the existing Pennsylvania tariffs into a combined electric service tariff, set forth in Joint Applicants Exhibit JMS-8. (Joint Application at ¶¶ 18-19, ¶ 83).

In its Joint Application and supporting materials, FirstEnergy alleged that its proposed merger would result in several short-term and long-term public benefits for its customers. (Joint Application at 29, ¶ 122). Alleged short-term benefits included: (1) financial benefits on issuance of new long-term debt (Id. at 29, ¶ 124); (2) increased regulatory and administrative efficiency (Id. at ¶ 29, ¶ 125); and (3) improved service quality. (Id. at 29-30, ¶ 126). Alleged long-term benefits include: (1) additional regulatory and administrative efficiencies as rates are unified in the future (Joint Application at 30, ¶ 128); (2) certain financing benefits related to long-term debt (Id. at ¶ 31, ¶ 129); and (3) certain benefits resulting from the proposed sale of MAIT Class B Interests and the proposed transmission contributions. (Id. at 31-33, ¶¶ 131-139).

CAUSE-PA intervened in this proceeding to address, among other issues, whether FirstEnergy's low income customers will derive substantial and material benefit from the proposed consolidation. CAUSE-PA further sought to ensure that, post-consolidation, FE PA will continue to serve the needs and interests of its service territory through local jobs, community support, and community presence. (CAUSE-PA Pet. to Intervene at ¶¶ 14-16).

In this proceeding, CAUSE-PA expert witness, Mitchell Miller, submitted expert Direct and Surrebuttal Testimony. In testimony, Mr. Miller explained that FirstEnergy's purported public benefits were, at best, short lived - and were unlikely to materialize into any tangible benefits for FirstEnergy's customers or the surrounding communities in which FirstEnergy operates. (CAUSE-PA St 1. at 7). Mr. Miller recommended enhancements to FirstEnergy's policies and procedures – particularly those affecting FirstEnergy's low income customers – to help ensure that residential customers could realize substantial benefits as a result of the proposed Transaction. (Id. at 33).

The proposed Settlement would permit the Joint Applicants to implement the proposed Transaction to consolidate operations in the Commonwealth. (Settlement at ¶ 31). The Settlement would also provide for several improvements to the initially proposed Transaction so that residential customers – including low income customers – will be protected and realize benefits as a result of the Transaction. (Id. at ¶¶ 32-65). For these reasons and the reasons stated throughout this Statement in Support, CAUSE-PA asserts that the proposed Settlement is just, reasonable, and in the public interest – and respectfully request that the proposed Settlement be approved in full and without modification.

II. STANDARD FOR APPROVAL OF SETTLEMENT

The Commission's regulations declare: "it is the policy of the commission to encourage settlements."¹ The Commission has explained that the results achieved from a negotiated settlement, in which the interested parties have had an opportunity to participate, "are often preferable to those achieved at the conclusion of a fully litigated proceeding."²

The present Settlement was achieved by the Joint Petitioners after an extensive investigation of FirstEnergy's Joint Petition, including informal and formal discovery and the submission of direct, rebuttal, surrebuttal, and rejoinder testimony by a number of the Joint Petitioners. (Settlement at ¶¶ 1-29). Approval of this Settlement will avoid the necessity of further administrative and possibly appellate proceedings regarding the settled issues at what would have been a substantial cost to the Joint Petitioner's and FirstEnergy's customers. (*Id.* at ¶¶ 58-61).

Although CAUSE-PA's litigation positions were not fully adopted, the Settlement was arrived at through good faith negotiation by all parties. The Settlement is in the public interest in that it (1) addresses the ability of low income customers derive substantial and tangible benefits from the proposed Transaction, (2) balances the interests of the parties, and (3) fairly resolves a number of critical issues raised by CAUSE-PA and other parties. If the Settlement is approved, the parties will also avoid the considerable cost of further litigation and/or appeals. Thus, CAUSE-PA hereby asserts that the Settlement is just and reasonable and in the public interest and should, therefore, be approved by the Commission.

¹ 52 Pa. Code § 5.231.

² 52 Pa. Code § 69.401.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. General

As discussed throughout this Statement in Support, CAUSE-PA asserts that the terms contained in this proposed Settlement reflect a careful balancing of the varied interests of the Joint Petitioners. (Settlement at ¶ 30). While providing for approval of the proposed Transaction (Id. at 31), the proposed Settlement sets forth important enhancements to FirstEnergy’s current policies and procedures to help ensure that FirstEnergy’s customers – particularly its low income customers – can realize tangible and substantial benefits as a result of the proposed Transaction. For these reasons and the reasons set forth below, we assert that the proposed Settlement is just, reasonable, and in the public interest. (Id. at 30). We request that the proposed Settlement be approved by ALJ Johnson, ALJ DeVoe, and the Pennsylvania Public Utility Commission (Commission).

B. Rates

Paragraph 32 and Paragraph 33.

In his Direct Testimony, Mr. Miller explained that the Joint Applicants sought to delay numerous important considerations resulting from the Transaction, including the unification of rates and programs across FirstEnergy’s OpCos. (CAUSE-PA St. 1 at 15: 1-12). As Mr. Miller explained, deferral of these considerations was inappropriate and impacted whether consumers would ultimately realize benefits – or incur potential harms – as a result of the Transaction. (See id. at 15: 11-18).

Paragraph 33 of the proposed Settlement provides that, in line with the concept of gradualism, the Joint Applicants will not propose to reach full base distribution rate unification of all classes until the conclusion of three rate cases, filed on or after January 1, 2025, or a period

of ten years from the date of the Commission’s approval of the Transaction, whichever occurs first – except that any newly introduced base distribution rate, for which no customers are currently receiving service and on which any customers eligible to take service on this newly introduced rate would voluntarily enroll, can be charged as one FE PA uniform rate (e.g. new EV or lighting rates), as approved by the Commission in any subsequent rate case. (Settlement at ¶ 32). Further, FE PA is not precluded from proposing unification of any of its tariff rules and regulations of service and associated fees prior to January 1, 2025. (Id.)

Paragraph 33 of the proposed Settlement provides that that the Joint Applicants commit to filing four cost of service models, one for each Rate District with PSU as part of the West Penn Rate District, as well as a consolidated FE PA cost of service model, in the next rate case after the Proposed Consolidation is approved, and in each of the subsequent rate cases until full rate consolidation is achieved. (Id. at ¶ 33).

Taken together with other key Settlement provisions (including Paragraph 36, which requires consumer-facing considerations and gradualism, and Paragraph 55, which establishes a collaborative stakeholder process in advance of any subsequent program unification – both of which are discussed below), the provisions of Paragraph 32 will help to ensure that any subsequent rate unification is completed gradually. Additionally, this Paragraph reasonably balances the interests of the Settling parties by carving out exceptions that allow for earlier unification of newly introduced base distribution rates, and tariff rules and regulations of service and associated fees. Further, this Paragraph 33 will help to ensure that, until rate consolidation is achieved, the Commission and parties are provided with robust information related to FE PA’s consolidated cost of service model. For these reasons, Paragraph 32 and 33 are just, reasonable, in the public interest, and should be approved.

Paragraph 34 and Paragraph 35.

Mr. Miller raised concerns in his Direct Testimony that the Joint Applicants failed in the context of their filing to quantify the level of savings that may be derived as a result of the proposed Transaction. (CAUSE-PA St. 1 at 11: 13-20). Mr. Miller explained that it was unclear based on the filings and information provided by the Joint Applicants whether any specific, quantifiable financial benefits to consumers would result without incurring substantial additional costs. (Id.) Mr. Miller recommended that, assuming the Transaction is approved, FE PA be required to develop a proposal for how it would quantify and track cost savings as a result of the proposed Transaction, and how identified cost savings would benefit customers. (Id. at 30: 5-15). Mr. Miller further recommended that FE PA be required to set forth its proposal in the context of its next base rate case or within six months of the approval of the Transaction, whichever is sooner. (Id.)

Paragraph 34 of the proposed Settlement requires the Joint Applicants to track savings in operating expenses achieved as a result of the proposed Transaction attributable to the Pennsylvania Operating Companies (OpCos) related to certain categories outlined under this Paragraph. (Settlement at ¶ 34). Paragraph 34 further requires that tracked savings will be placed into a regulatory liability account to be flowed back to ratepayers in the next applicable base rate case for 5 years following the entry of the final Commission order related to the proposed Settlement. (Id.)

Paragraph 35 of the proposed Settlement further provides that, related to the amounts to be tracked and recorded to the regulatory account, the parties reserve their rights to raise all arguments regarding determination of savings, the attribution of any savings to the former Pennsylvania

OpCos, and whether any or all amounts to be determined should flow through to ratepayers in each base rate case that occurs over the period contemplated by Paragraph 34. (Id. at ¶ 35).

CAUSE-PA asserts that the Settlement provisions contained at Paragraph 34 and Paragraph 35 are just, reasonable, and in the public interest. These provisions reasonably address Mr. Miller's concerns that the Joint Applicants failed to provide adequate specificity related to how cost savings as a result of the Transaction would be returned to customers. (CAUSE-PA St. 1 at 11: 13-20; CAUSE-PA St. 1-SR at 7-9). Requiring the Joint Applicants to track savings by specified categories and flow savings back to customers will help ensure that any resulting savings will be returned to ratepayers through a transparent process. The process delineated in these Paragraphs will allow the Commission and parties to better evaluate the longer-term financial benefits from the Transaction and determine whether the Joint Applicants are appropriately tracking and returning savings to ratepayers. For these reasons, we assert that the provisions in Paragraph 34 and Paragraph 35 of the Settlement are just, reasonable, in the public interest, and should be approved without modification.

Paragraph 36.

In his Direct Testimony, Mr. Miller raised concerns that the Joint Applicants sought to delay numerous important considerations stemming from the Transaction to future litigation, including the unification of rates and programs across its four operating companies. (CAUSE-PA St. 1 at 15: 1-12). Mr. Miller explained that FirstEnergy's deferred treatment of these critical issues impacted the ability to determine whether consumers would ultimately realize benefits – or incur potential harms – as a result of the Transaction. (See id. at 15: 11-18).

Paragraph 36 of the proposed Settlement provides that it is the parties intent that no consumer group in any FE PA Rate District should be extraordinarily disadvantaged or harmed in

the event of a rate unification, and that such rate unification adheres to the principle of gradualism. (Settlement at ¶ 36).

Taken together with other key Settlement provisions (including Paragraph 32, which requires any subsequent rate unification to be gradual, and Paragraph 55, which establishes a collaborative stakeholder process in advance of any subsequent program unification), the provisions of Paragraph 36 will help to bring important customer-facing considerations to the forefront in the event of rate and program unification. While balancing the varied interests of the Settling parties, these provisions help to reasonably address Mr. Miller's concerns that FirstEnergy customers would be harmed as a result of deferral of important considerations related to rate unification. For these reasons, the provisions contained in Paragraph 36 of the proposed Settlement are reasonable, in the public interest, and should be approved without modification.

Paragraph 37 and Paragraph 38.

CAUSE-PA did not take a position in this proceeding related to the Ground Lease issues set forth in Paragraph 37 of the proposed Settlement.

CAUSE-PA did not take a position in this proceeding related to the transmission asset issues set forth in Paragraph 38 of the proposed Settlement.

Paragraph 39.

Paragraph 39 of the proposed Settlement provides that the Joint Applicants agree to maintain a list on FE PA's website of the historical rate schedules for each of the Rate Districts on a rolling five-year basis, including zonal and system scaling factors for the industrial classes, by Rate District, applicable during each rate term. (Settlement at ¶ 39). CAUSE-PA did not take a

formal position in this proceeding related to the provision of historical rate schedules set forth in Paragraph 39 of the proposed Settlement. Nevertheless, CAUSE-PA asserts that the provisions contained in Paragraph 39 are reasonable and should be approved. These provisions will help provide important information to consumers related to historical rates, improving transparency for FirstEnergy's customers. Historical rate information can help consumers gain important insight into how their rates have changed over past years and may help to inform consumer participation in a myriad of proceedings, including future rate increase proposals. For these reasons, CAUSE-PA asserts that the provisions contained in Paragraph 39 of the Settlement are reasonable, in the public interest, and should be approved without modification.

C. Low Income Programs

Paragraph 40.

In his Direct Testimony, Mr. Miller raised concerns that – despite express statements by FirstEnergy that it did not intend to implement changes to its current or pending USECP – they acknowledged through discovery that they will pursue universal service program changes if the Transaction is granted. (CAUSE-PA St. 1 at 15: 11-15). Mr. Miller explained that FirstEnergy was explicitly delaying implementation of planned universal service changes that will determine whether low income customers ultimately realize benefits or incur potential harms as a result of the proposed Transaction. (*Id.*) Mr. Miller recommended that, prior to approval of any proposed consolidation, FirstEnergy should be required to maintain the structure and staffing levels for its Universal Service Programs consistent through the term of its pending proposed USECP at Docket Nos. Docket Nos. Docket Nos. M-2022-3036532, -3036533, -3036534, -3036535. (*Id.* at 31: 14-18).

Paragraph 40 of the proposed Settlement provides that the staffing levels of FE PA's Universal Service Program(s) will not be reduced as a result of the Transaction for the duration of its pending USECP, from 2024 through 2028, at Docket Nos. M-2022-3036532, etc. (Settlement at ¶ 40). Paragraph 40 also provides that staffing levels will be maintained, notwithstanding retirements and voluntary separations. (Id.)

CAUSE-PA asserts that the provisions at Paragraph 40 of the proposed Settlement are reasonable and should be approved. Together with other key provisions of the Settlement (such as paragraph 55, which requires FirstEnergy to engage in a collaborative stakeholder process before unification of customer programs, including universal service programs), these provisions help to reasonably address Mr. Miller's recommendations that FE PA be required to maintain staffing levels for its Universal Service Programs through at least the duration of FirstEnergy's pending USECP. (CAUSE-PA St. 1 at 31: 14-18). Requiring maintenance of Universal Service Staff through the period of FirstEnergy's proposed Plan will help to ensure that low income customers do not see a degradation in services as a result of staffing reductions through at least the proposed Plan period. (See id.) Providing that these staffing levels will be maintained, notwithstanding retirements and voluntary separations, helps to ensure continuity in program administration despite the realities of workforce changes. For these reasons, we assert that the provisions in Paragraph 40 of the proposed Settlement are just, reasonable, in the public interest, and should be approved without modification.

Paragraph 41 through Paragraph 44.

In his Direct Testimony, Mr. Miller raised concerns that FirstEnergy's Universal Service Advisory Committee (USAC) has met only five times in recent years (June 2019, November 2019,

May 2020, March 2022, and October 2022) – and that its last meeting was approximately 8 months ago. (CAUSE-PA St. 1 at 28: 15-20). To help ensure that low income customers and their communities learn about and are able to access universal service programs after consolidation, Mr. Miller recommended robust engagement through FirstEnergy’s USAC. (Id.)

Mr. Miller specifically recommended that FirstEnergy be required to meet with its USAC on a quarterly basis throughout each calendar year. (Id. at 28-29). Mr. Miller also recommended that, to the extent FE PA proposes further consolidation of its USECP in the context of future proceedings, it should be required to vet such proposals through its USAC through deliberative processes through the course of multiple meetings. (Id. at 29: 1-6). Mr. Miller further recommended that FirstEnergy expand the membership of its USAC to increase the diversity within the Committee, and bring in new perspectives from the communities FirstEnergy serves. (Id. at 29: 6-16). Mr. Miller also recommended that FirstEnergy share standard program data with USAC members in advance of each USAC meeting to help facilitate meaningful and informed discussion and recommendations. (Id. at 29: 17-20). Program data should include program enrollment and recertification, spending levels, and other pertinent information necessary for USAC members to be fully engaged. (Id.)

Paragraph 41 of the proposed Settlement provides that, as of the date of the final Order in this matter, and until a modification is agreed to by all interested parties, the Joint Petitioners commit that FE PA will host its USAC on a quarterly basis throughout the calendar year for the purpose of presenting any proposed changes or amendments to program design or administration prior to advancing a formal proposal or otherwise implementing such changes, and discussing issues and questions that may be occurring in the communities it serves related to consolidation or its Universal Service Program(s). (Settlement at ¶ 41).

Paragraph 42 of the proposed Settlement provides that FE PA commits to share program data with USAC members in advance of each USAC meeting to help facilitate informed discussions. (Settlement at ¶ 42). Paragraph 42 sets forth that data will include program participant data, spending levels (including but not limited to current spending levels and remaining funding of hardship grants), and other relevant program metrics as agreed upon by the parties for each USECP (including number of new enrollees in USECPs, number of new customers who were removed from the Pennsylvania Customer Assistance Program (PCAP) and the reason for removal, new outreach activities and efforts by FE PA, the number of PCAP participants who have reached 90% and 100% of their maximum CAP credit limits). (Id.)

Paragraph 43 of the proposed Settlement provides that, while USAC meetings are intended to provide a platform for open dialogue and feedback regarding programming, the parties agree that the meetings are not a forum where universal service program cost allocation to other customer classes will be deliberated. (Settlement at ¶ 43).

Paragraph 44 of the proposed Settlement provides that, in an effort to increase the diversity and range of community voices to its USAC, FE PA will recruit additional members to its USAC from groups such as local housing providers, food assistance providers, weatherization and home repair providers, community health clinics, domestic violence agencies, immigrant and refugee resettlement organizations, and other local community-based organizations serving low-income individuals and communities within the FE PA service territory. (Settlement at ¶ 44).

Taken together, the provisions contained in Paragraphs 41-44 of the proposed Settlement represent important commitments and enhancements to FirstEnergy's USAC. By requiring quarterly USAC meetings to be held throughout the program year, Paragraph 41 of the proposed Settlement will help to ensure that FirstEnergy is required to engage with community stakeholders

through its USAC on a regular and consistent basis. (Settlement at ¶ 41). These are essential points of contact to ensure that stakeholders are able to engage in dialogue and provide feedback related to Universal Service Programs, and changes thereto. Paragraph 41 further requires FirstEnergy to present any proposed changes or amendments to program design or administration to its USAC prior to advancing formal proposals or implementing changes. This provision will help to ensure that FE's USAC members are provided important and timely information necessary to analyze the effectiveness of FE's programs and/or proposed program changes, and the opportunity to provide feedback in advance of formal processes or implementation of changes that may significantly affect low income customers' ability to access and afford services. The provisions contained in Paragraph 41 help to reasonably address Mr. Miller's concerns and recommendations - helping ensure that any future consolidation of FE's Universal Service programs will be informed by the concerns and recommendations of diverse community stakeholders.

Paragraph 42 of the proposed Settlement also provides important enhancements to help ensure that robust program data will be provided to USAC members. (Settlement at ¶ 42). In particular, Paragraph 42 delineates specific data to be shared – including program participation data and spending levels – that are essential to determining whether FirstEnergy's Universal Service Programs are adequately serving the needs of its low income customers both prior to and after any consolidation. These provisions help to reasonably address Mr. Miller's recommendations that FirstEnergy be required to share standard program data with its USAC – including data on program enrollment, recertification, and spending levels. (CAUSE-PA St. 1 at 29: 17-20).

Paragraph 43 of the proposed Settlement represents a balancing of the varied interests of the Settlement parties. While this Paragraph sets forth in the parties understanding that USAC

meetings are not a forum to deliberate universal service program cost allocation to other customer classes, the provisions at Paragraph 43 also make clear that USAC meetings are intended to provide a platform for open dialogue and feedback related to Universal Service Programming. (Settlement at ¶ 43). These provisions thus maintain the understanding of the importance of open dialogue during USAC meetings, while balancing other Settling parties' interests related to issues of cost allocation. (Id.)

Finally, Paragraph 44 of the proposed Settlement reasonably addresses Mr. Miller's recommendation that FirstEnergy be required to expand membership and diversity of its USAC. (CAUSE-PA St. 1 at 29: 6-16). By requiring FE PA to recruit additional USAC members from a delineated list of local service providers, the provisions in Paragraph 44 will help to expand and diversify USAC membership to be inclusive of organizations serving low income consumers and other vulnerable customer groups in FE PA's service territory. Expansion of USAC membership to a broader range of local community organizations will help to enhance the feedback and discussion during USAC meetings, ensuring FE's decisions are better grounded in the needs of the communities FE serves. This expansion will also help to more accurately gauge consumer questions and issues that may arise as a result of the proposed Transaction, if approved.

In sum, the provisions in Paragraphs 41-44 of the proposed Settlement contain important enhancements and assurances related to FirstEnergy's USAC, are reasonable, and should be approved without modification.

Paragraph 45.

FirstEnergy customers are currently required to complete a new application and submit income documentation to enroll or re-enroll in PCAP when they move from one operating

Company to another. (CAUSE-PA St. 1 at 28). This requires PCAP participants who move to provide duplicative household information to maintain PCAP enrollment and poses a significant impediment for customers to maintain PCAP enrollment. (Id.) Mr. Miller expressed concern through testimony that FirstEnergy only generally indicated that they intend, if the Transaction is granted, to allow customers who move within the new service territory to maintain PCAP enrollment. (Id.) However, it was unclear when FirstEnergy intended to implement this change. (Id.) Mr. Miller recommended that, upon implementation of any approved consolidation, FirstEnergy be required to revise its policies and procedures so that PCAP customers who move within the newly-formed service territory will automatically maintain PCAP enrollment. (Id.)

Paragraph 45 of the proposed Settlement provides that the Joint Applicants are committed to making the transfer of PCAP enrollment status as seamless as possible for PCAP enrollees who move from one Rate District to another. (Settlement at ¶ 45). However, Paragraph 45 explains that there are current system limitations that prevent FE PA from automatically moving customers into and out of different Rate Districts across the service territory. (Id.) As a result, Paragraph 45 provides that the Joint Applicants commit to conducting further analysis of possible options for providing this optionality across its Pennsylvania footprint. (Id.) The Joint Applicants will provide an update to its USAC as a standing agenda item until such time as FE PA reaches full implementation of the ability to provide seamless transition of enrollment for PCAP enrollees who move from one Rate District to another. (Id.)

The provisions contained in Paragraph 45 of the proposed Settlement represent a reasonable compromise should be approved. While Mr. Miller's recommendation that FirstEnergy immediately allow for customers to continue PCAP enrollment if they move within FE PA's new service territory was not adopted in its entirety, Paragraph 45 provides important touchpoints

related to the portability of PCAP service, while taking into consideration FirstEnergy's current system limitations. In particular, providing regular updates at each USAC meeting will provide parties and stakeholders important information about the progress of implementing these changes and keep the need to implement this change at the forefront of USAC conversations. As such, we assert that Paragraph 45 is a reasonable compromise, and should be approved without modification.

Paragraph 46.

As previously mentioned, Mr. Miller raised concerns in his Direct Testimony that FirstEnergy was seeking to defer important considerations related to its USECP to later proceedings. (CAUSE-PA St. 1 at 15-16). Mr. Miller noted that programmatic variables – including the distribution of hardship fund assistance across FE PA's newly-formed service territory – would ultimately determine whether customers would realize benefits, or be adversely impacted, as a result of the proposed Transaction. (Id.) Mr. Miller explained that the Joint Applicants should be required to specifically show that low income customers would realize substantial benefits from the Transaction, if approved. (Id.) So that low income customers could realize substantial benefits from the Transaction, Mr. Miller recommended, what includes, that FirstEnergy should be required to increase contributions to its Hardship Fund program by \$800,000 per program year (along with a proportional increase in administrative funding), with any unspent funding for the previous program year being rolled over to be used for hardship grant funding for the subsequent program year. (Id. at 25).

Paragraph 46 of the proposed Settlement provides that the Joint Applicants agree to make contributions of \$150,000 annually to the Hardship Fund of FE PA, incremental to the current

“matching contribution”, for a period of three years after PUC approval of the Transaction. (Settlement at ¶ 46). The Joint Applicants additionally agree to make contributions of \$100K annually to the Hardship Fund of FE PA, incremental to the current “matching contribution”, for the following two years. (Id.) Any unspent funding from the annual contributions will be rolled over to be used for Hardship funding for the subsequent program year. Finally, Paragraph 46 provides that these additional Hardship Funds will be from shareholder contributions and not recovered from ratepayers. (Id.)

The provisions contained in Paragraph 46 represent important improvements to FirstEnergy’s Hardship Fund. While Mr. Miller’s proposed increases to the Hardship Fund were not adopted in their entirety, the increases to the Hardship Fund contained in Paragraph 46 will help to ensure that tangible public benefits will flow to FirstEnergy’s economically vulnerable customers for the next five years. (CAUSE-PA St. 1 at 26: 3-11). By requiring that any unspent funding from annual contributions to be rolled over to the Hardship Fund for the subsequent program year, Paragraph 46 will help to ensure that any underutilization of this additional Hardship Funding can subsequently be accessed by low income customers. As a whole, the provisions contained at Paragraph 46 of the proposed Settlement represent important enhancements to FirstEnergy’s Hardship Fund, are reasonable and squarely in the public interest, and should be approved.

Paragraph 47.

In his Direct Testimony, Mr. Miller concluded that FirstEnergy’s proposed Transaction would fail to result in substantial benefits to the public, and, more specifically, to residential low income customers. (CAUSE-PA St. 1 at 6: 9-13). Mr. Miller explained that FirstEnergy’s

purported benefits as a result of the Transaction were illusory and short-lived, and are unlikely to result in tangible benefits to FirstEnergy customers. (Id. at 7: 7-12). Mr. Miller recommended several enhancements to FirstEnergy's policies and procedures so that low income residential customers would be able to realize substantial benefits as a result of the proposed Transaction. (CAUSE-PA St. 1 at 33).

Paragraph 47 of the Proposed Settlement provides that, subject to the provisions of any implementation order or other direction issued by the Commission, at such time as the Pa. Department of Human Services (DHS) notifies the LIHEAP Advisory Committee that it is ready to share LIHEAP participant income data with utilities (currently anticipated to begin in Fall 2024), FE PA will implement required modifications to its IT system and processes – within a reasonable timeframe not to exceed one year – to automatically recertify existing PCAP participant's income and eligibility. (Settlement at ¶ 47). Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing to recertify LIHEAP recipients for CAP purposes as soon as practicable. (Id.)

Paragraph 47 further provides that related costs to modify IT systems and processes will be eligible for timely recovery, including any related interim costs related to manual processing. (Id.) Further, pursuant to Paragraph 47, all LIHEAP recipients identified in the data exchange will be deemed by FE PA as confirmed low income customers and will be eligible for winter shutoff protections. (Id.) Finally, Paragraph 47 provides that FE PA commits to conducting outreach to all LIHEAP recipients identified in the data exchange that are not current PCAP participants to encourage enrollment in the program. (Id.)

We assert that the provisions contained in Paragraph 47 are squarely in the public interest and should be approved without modification. These provisions will help to eliminate PCAP

enrollees having to provide duplicative information already provided for LIHEAP receipt during the PACP recertification process. This will help to eliminate unnecessary barriers for PCAP customers to recertify their eligibility and remain in PCAP. By requiring FE PA to conduct outreach to all LIHEAP recipients identified in the data exchange who are not current PCAP participants to encourage enrollment, Paragraph 47 meaningfully advances targeted outreach activities so that low income customers are better informed of and able to more easily enroll in PCAP. By requiring that all LIHEAP recipients identified through this data exchange be deemed confirmed low income customers, these provisions will help to ensure that more vulnerable low income customers are protected from termination in the cold winter months, and will improve the ability to accurately assess the need for assistance. Finally, the provisions in Paragraph 47 help to reasonably balance the varied interests of the Joint Applicants by providing that related costs to modify IT systems and processes will be eligible for timely recovery, including any related interim costs related to manual processing. In sum, the provisions in Paragraph 47 are squarely in the public interest, are reasonable, and should be approved.

D. Operations and Customer Service

Paragraph 48.

CAUSE-PA did not take a position as to the PJM issues set forth in Paragraph 48 of the proposed Settlement.

Paragraph 49.

In its initial filings, FirstEnergy indicated that it did not seek to change its location, management, available hours, or services for its call centers within the context of the present proceeding – though it did not specify whether and when it may seek to consolidate call center

operations. (CAUSE-PA St. 1 at 4-5). Mr. Miller noted that FirstEnergy failed to set forth any customer service improvements related to its call center policies, procedures, and operations. (Id. at 12: 6-16). Mr. Miller also expressed concern that FirstEnergy failed to provide any assurances that the location, management, operations, policies, and procedures of its call centers would not be altered if the proposed Transaction was granted. (Id. at 12: 17-20). Mr. Miller recommended that, if the Transaction were approved, FirstEnergy be required to maintain operations rooted in Pennsylvania, including in the context of its call center operations. (Id. at 30-31). Mr. Miller further recommended that the Commission required FE PA to seek Commission approval moving or otherwise making changes to its call centers that serve Pennsylvania consumers. (Id. at 31: 5-12).

Paragraph 49 of the proposed Settlement provides that FE PA will commit to the following related to its call center operations:

- a. Maintaining the location of Pennsylvania call centers for 5 years;
- b. If changes are subsequently made to call center location or construct, FE PA will take steps to ensure that a Pennsylvania-focused presence is represented within contact center operations through targeted recruitment and training. Advance notice and discussion of elimination or certain changes to services of the Reading, Pennsylvania contact center will be provided.
- c. Maintaining service delineated in the Settlement for services for residential customers by FirstEnergy call centers for 5 years.
- d. Maintaining minimum call center hours available to customers as Monday-Friday, 8:00 a.m. – 6:00 p.m., including any improvements made in the context of FirstEnergy’s recent Petition to implement Involuntary Remote Disconnect Procedures;
- e. Maintaining the use of IVR systems as of July 23.

CAUSE-PA asserts that the provisions of Paragraph 49 of the proposed Settlement represent important agreements by the Joint Applicants to maintain the locations and operations of its call centers in the Commonwealth. While Mr. Miller’s recommendations related to call center maintenance were not adopted in their entirety, these Settlement provisions help to ensure that the

location and services of FirstEnergy call centers will be maintained for at least 5 years – helping ease any transition period. Further, these provisions will help to ensure the maintenance of call center hours and the continued use of IVR systems for FE PA’s call centers to help ensure that customers do not see a degradation in these services as a result of the Transaction. Finally, in the event that FE PA does intend to change the location or construct of its call centers, the Settlement helps to ensure call centers will continue to be rooted in Pennsylvania – and that advance discussion is available to help ensure the same. While Mr. Miller’s recommendations were not adopted in their entirety (CAUSE-PA St. 1 at 31), the provisions at Paragraph 18 represent a balanced compromise of the parties that will help to ensure continuity of call center operations if the proposed Transaction is granted. We therefore assert that these provisions are just, reasonable, in the public interest, and should be approved without modification.

Paragraph 50.

Paragraph 50 of the proposed Settlement requires FE PA to conduct monthly review of customer disputes, complaints, and BCS compliance findings to identify and respond to the root cause(s) that lead to indicia of customer dissatisfaction. (Settlement at ¶ 50). This review will identify trends and areas of performance improvement and will be reported out to management. (Id.) In addition, monthly reports and management response will be shared annually with the USAC. (Id.)

CAUSE-PA did not take a position in the current proceeding related to the complaint and performance issues in Paragraph 50 of the proposed Settlement. However, Mr. Miller recommended in this Direct Testimony that FirstEnergy be required to meet with its USAC on a quarterly basis throughout each calendar year. (CAUSE-PA St. 1 at 28: 15-21). Mr. Miller explained that, by requiring quarterly meetings, FirstEnergy will be able to hear about and discuss

issues and questions that may be occurring in communities its services related to consolidation. (Id. at 29: 1-5). The provisions at Paragraph 50 of the proposed Settlement help to further Mr. Miller's recommended engagement with FirstEnergy's USAC. Specifically, these provisions will help to ensure that important data and information related to customer dissatisfaction and operational performance are reported to and discussed with the USAC. This delineated process will help the USAC to provide important feedback related to the quality of FE PA's customer services, and to address ongoing concerns related to the same. For these reasons, we assert that the provisions in Paragraph 50 of the proposed Settlement are just, reasonable, in the public interest, and should be approved without modification.

Paragraph 51.

Paragraph 51 of the proposed Settlement requires FE PA to maintain its customer service performance for customer call center, reliability of service, billing, meter reading, and response to customer complaints and disputes at levels consistent with the Pennsylvania OpCos' 5-year historical average, as reported to the Commission. (Settlement at ¶ 51). To the extent that FE PA's performance does not meet these levels, FE PA agrees to meet with the parties as requested to discuss areas of challenges and plans to improve service levels. (Id.) CAUSE-PA did not take a position in this proceeding related to the customer services issues in Paragraph 20 of the proposed Settlement. However, Mr. Miller explained in his Direct Testimony that – despite allegations that the proposed Transaction would improve customer service – the Joint Applicants failed to indicate specific customer service and reliability improvements, or provide specific timeframes related to customer service improvements. (CAUSE-PA St. 1 at 10-11). Mr. Miller set forth recommendations so that, if the proposed Transaction were approved, FE PA would be required

to maintain certain Pennsylvania-based operations affecting customer service, including maintaining call center operations in the Commonwealth. (Id. at 30-31). The Settlement provisions contained in Paragraph 51 will help to ensure that customer service performance, including call center performance, is monitored and discussed with stakeholders. Paragraph 51 sets forth critical requirements to help monitor potential impacts of the proposed Transaction on customer services on an ongoing basis. These provisions are therefore just, reasonable, and should therefore be approved without modification.

E. The Penn State University (University Park Campus)

CAUSE-PA did not take a position in this proceeding related to the provision contained at Paragraphs 52 and 53 of the proposed Settlement.

F. Additional Provisions

Paragraph 54.

CAUSE-PA did not take a position in this proceeding related to the provisions contained at Paragraph 54 of the proposed Settlement, though we submit that it is squarely in the public interest to ensure that the Joint Applicants do not seek to recover the cost of the Transaction.

Paragraph 55.

As previously noted, Mr. Miller raised concerns in Direct Testimony that FirstEnergy was delaying implementation of planned universal service changes that will determine whether low income customers ultimately realize benefits – or incur potential harms – as a result of the proposed Transaction. (CAUSE-PA St. 1 at 15: 11-18). Mr. Miller recommended enhancements within the context of this proceeding that would constitute substantial benefits to low income consumers, as previously discussed. (Id. at 28-29). To the extent that FirstEnergy proposes

further consolidation of its USECP in the context of future proceedings, Mr. Miller recommended that it should be required to vet such proposals within its USAC through a deliberative process over the course of multiple meetings. (Id. at 29: 1-5).

Paragraph 55 of the proposed Settlement provides that FE PA will hold collaborative meetings in advance of filing modifications to the Joint Applicants' regulatory-required plans or its next scheduled plan filings, to include DSP, USECP, EE&C, LTIIP, and (in the event PJM Interconnection, LLC implements a seasonable capacity construct) any filings related to revisions to the Joint Applicants' recovery methodology related to those capacity market changes. (Proposed Settlement at ¶ 55). This Paragraph further provides that the collaborative meetings will be used to discuss the consolidation's impact on each of the respective filings and FE PA's plans to unify such programs moving forward. (Id.)

CAUSE-PA represents that the Settlement provisions contained in Paragraph 55 represent important enhancements to FirstEnergy's USAC. While Mr. Miller's recommendations were not fully adopted, these provisions set forth important touchpoints so that parties and stakeholders are given advance notice and an opportunity to provide initial feedback related to important modification proposals. This will help to potentially address initial questions and concerns related prior to filings and streamline the process of reviewing and integrating changes into these filings. Requiring that these collaborative meetings address how consolidation impacts respective filings will also help to shed light on the ongoing effects of the proposed Transaction on FirstEnergy's customers. As such, the provisions at Paragraph 55 of the proposed Settlement represent a reasonable balancing of the varied interests of the settling parties. These provisions are reasonable, in the public interest, and should be approved without modification.

Paragraph 56.

CAUSE-PA did not take a position in this proceeding related to the provisions contained at Paragraph 56 of the proposed Settlement.

Paragraph 57.

Paragraph 57 of the proposed Settlement provides that all prior settlements entered into by the Joint Applicants will survive any approved consolidation or merger and will be enforceable against FE PA to the extent applicable. (Proposed Settlement at ¶ 57).

CAUSE-PA asserts that the provisions contained at Paragraph 57 of the proposed Settlement are just, reasonable, and in the public interest. The provisions in Paragraph 57 will ensure that a myriad of critical terms contained in previously agreed-to settlements will not be vitiated as a result of the proposed Transaction. Ensuring enforcement of previous Settlement terms also protects parties' ability of enforcing Settlements before the Commission – and thus serves a broader public interest of promoting the continued use of Settlements in litigated proceeding before the Commission. As such, the provisions at Paragraph 57 of the proposed Settlement are just, reasonable, in the public interest, and should be approved without modification.

IV. SETTLEMENT CONDITIONS

Paragraphs 62-66 of the proposed Settlement set forth several additional terms and conditions related to the proposed Settlement, including but not limited to that: (1) the placement of any provision within this document does not indicate the level of importance of such provision to any Joint Petitioner (Settlement at ¶ 62); (2) the Settlement is conditioned upon the Commission's approval of the terms and conditions contained in the Settlement without modification (Id. at ¶ 63); (3) if the Commission modifies the Settlement, any Joint Petitioner may

elect to withdraw from the Settlement and may proceed with litigation, and, in such event, the Settlement shall be void and of no effect (Id.); (4) If the Commission does not approve the Settlement without modification and the proceeding continues, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions (Id. at ¶ 64); (5) the Settlement is made without any admission against, or prejudice to, any position that any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding. (Id.); (6) the Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Joint Petitioner's position with respect to any issues raised in this proceeding (Id. at 65); (7) the Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position that any of the Joint Petitioners may advance on the merits of the issues in future proceedings (Id.); and (8) if the ALJs recommend adopting the Settlement without modification, the Joint Petitioners waive their right to file Exceptions. (Id. at ¶ 66). As a whole, the additional terms and conditions set forth in the proposed Settlement represent a balanced compromise of the interests of the Joint Petitioners and set forth additional rights and obligations of the Joint Petitioners in a fair and reasonable manner that is in the public interest and should be approved.

V. CONCLUSION

The proposed Settlement was achieved by the Joint Petitioners after extensive investigation of the Joint Petition and negotiation amongst the parties. CAUSE-PA asserts that the proposed Settlement is a reasonable resolution to a variety of complex issues entailed in the

present matter, is the public interest, and should be approved in full and without modification. Accepting the proposed Settlement avoids the necessity of further administrative and possible appellate proceedings in the matter, which would have been undertaken at substantial cost to the Joint Petitioners, the Commission, and ultimately FirstEnergy's ratepayers. Accordingly, CAUSE-PA respectfully requests that ALJ Johnson, ALJ DeVoe, and the Commission approved the proposed Settlement in its entirety and without modification.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



Ria M. Pereira, Esq., PA ID: 316771
John W. Sweet, Esq., PA ID: 320182
Elizabeth R. Marx, Esq., PA ID: 309014
Lauren N. Berman, Esq., PA ID: 310116
118 Locust Street
Harrisburg, PA 17101
Tel.: 717-236-9486
Fax: 717-233-4088
PULP@putilitylawproject.org

Date: August 30, 2023

Appendix H
Industrial Customer Groups' Statement
in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|----------------------------|
| Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger; (2) the Establishment of FirstEnergy Pennsylvania Holding Company LLC as an Intermediate Holding Company in the Chain of Ownership of FirstEnergy Pennsylvania Electric Company; (3) the Merger of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company with and into FirstEnergy Pennsylvania Electric Company; (4) the Initiation by FirstEnergy Pennsylvania Electric Company of Electric Service in All Territories in this Commonwealth where Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company Do or May Provide Electric Service; (5) the Abandonment by Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company of All Electric Service in this Commonwealth; (6) the Adoption by FirstEnergy Pennsylvania Electric Company of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's Existing Tariffs and their Application within New Service and Rate Districts of FirstEnergy Pennsylvania Electric Company Corresponding to their Existing Service | : | |
| | : | Docket Nos. A-2023-3038771 |
| | : | A-2023-3038792 |
| | : | A-2023-3038793 |
| | : | A-2023-3038794 |
| | : | A-2023-3038795 |
| | : | A-2023-3038807 |
| | : | A-2023-3038808 |
| | : | G-2023-3038818 |
| | : | G-2023-3038819 |
| | : | G-2023-3038820 |
| | : | G-2023-3038821 |
| | : | G-00020956 |

Territories as the Met-Ed Rate District, :
Penelec Rate District, Penn Power Rate :
District, West Penn Rate District, and The :
Pennsylvania State University Rate :
District, Respectively; (7) the sale of Class :
B Membership Interests in Mid-Atlantic :
Interstate Transmission, LLC held by Met- :
Ed and Penelec to FirstEnergy Corp.; (8) :
the Contribution of West Penn Power :
Company's Transmission Assets to :
Keystone Appalachian Transmission :
Company; (9) a Certificate of Public :
Convenience Conferring Upon Keystone :
Appalachian Transmission Company the :
Status of a Pennsylvania Public Utility; :
(10) Where Necessary, Associated :
Affiliated Interest Agreements; and (11) :
Any Other Approvals Necessary to :
Complete the Contemplated Transaction :

**JOINT STATEMENT IN SUPPORT
OF THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE,
AND
THE WEST PENN POWER INDUSTRIAL INTERVENORS**

I. INTRODUCTION

The Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups"), by and through their counsel, submit that the Joint Petition for Approval of Settlement of All Issues ("Joint Petition" or "Settlement") concurrently filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") in the above-captioned proceeding reflects a settlement among the Joint Petitioners with respect to the March 6, 2023, Joint Application of Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), West Penn Power Company ("West Penn"),

Keystone Appalachian Transmission Company ("KATCo"), Mid-Atlantic Interstate Transmission, LLC ("MAIT"), and FirstEnergy Pennsylvania Electric Company ("FE PA") (collectively, "Joint Applicants"), for approval of several transactions that would, among other things, consolidate Met-Ed, Penelec, Penn Power, and West Penn with FE PA ("Joint Application"). As part of the consolidation, Met-Ed, Penelec, Penn Power, and West Penn sought to abandon their right and obligation to provide electric service in their service territories, with the intention of FE PA being issued a Certificate of Public Convenience to serve those customers. The Joint Application also sought to transfer, through a series of sales and contributions, all of the transmission assets owned by West Penn to KATCo, as well as the Class B membership interest in MAIT held by Met-Ed and Penelec to FirstEnergy Corp. Per the Joint Application, the end result of the transaction will be the separation of FirstEnergy's Pennsylvania distribution assets, which will be owned by FE PA, from FirstEnergy's Pennsylvania transmission assets, which will be owned by KATCo and MAIT.

The Industrial Customer Groups are *ad hoc* associations of energy-intensive customers receiving electric service in the territories of Met-Ed, Penelec, and West Penn. The Industrial Customer Groups' manufacturing processes require significant amounts of electricity. As a result, the Industrial Customer Groups were concerned that the proposed consolidation could have an adverse impact on their production costs.

For those reasons, the Industrial Customer Groups indicated that the Commission should review several aspects of the Joint Application, including whether the proposed Joint Application demonstrates that an affirmative benefit to the public will result upon approval of the Joint Application; whether the proposed transactions set forth in the Joint Application affirmatively promote the service, accommodation, convenience, or safety of the public in a substantial way;

whether further Commission review is required to determine whether the benefits claimed by the Joint Applicants are substantive and result in an affirmative benefit to the public; whether the alleged benefits of the consolidation are outweighed by the costs of the consolidation; whether additional information is required to confirm that the costs to achieve the consolidation are properly allocated between ratepayers and shareholders; and what impact the consolidation will have on both current and future rates, including the timing of future distribution rate cases, Default Service Plan ("DSP") proceedings, and Energy Efficiency and Conservation ("EE&C") Plans.

As a result of settlement discussions, the Joint Applicants, the Industrial Customer Groups, the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), the Industrial Energy Consumers of Pennsylvania ("IECPA"), and The Pennsylvania State University ("PSU") (collectively, the "Joint Petitioners"), have agreed upon the terms embodied in the foregoing Joint Petition. The Industrial Customer Groups offer this Statement in Support to further demonstrate that the Settlement is in the public interest and should be approved without modification.

II. STANDARD FOR APPROVAL OF SETTLEMENT

1. The Commission has a strong policy favoring settlements. As set forth in the Commission's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense and uncertainty of litigation."¹ Consistent with the Commission's policy, the Joint Petitioners engaged in negotiations in an effort to settle the issues raised in this proceeding. These ongoing discussions produced the foregoing

¹ See 52 Pa. Code § 69.391; *see also* 52 Pa. Code § 5.231.

Settlement, which proposes a resolution of all issues between the Joint Petitioners in this proceeding as set forth in Section III below.

2. The Settlement was achieved after numerous negotiations. Although Joint Petitioners have invested time and resources in the negotiation of the Joint Petition, this process has allowed the parties, as well as the Commission, to avoid expending the substantial resources that would have been required to fully litigate this proceeding while still reaching a just, reasonable, and non-discriminatory result. The Joint Petitioners have thus reached an amicable resolution to this dispute as embodied in the Settlement. Approval of the Settlement will permit the Commission and the Joint Petitioners to avoid incurring the additional time, expense, and uncertainty of further litigation in this proceeding.²

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

3. The Joint Petition is in the public interest for the following reasons:

- a. The Settlement amicably and expeditiously resolves a number of important and potentially contentious issues. The administrative burden and costs to litigate these matters to conclusion would be significant.
- b. The Joint Petitioners arrived at the Settlement terms after conducting discovery and engaging in in-depth discussions over several weeks. The Settlement terms and conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements³ and is supported by substantial record evidence.

4. The Industrial Customer Groups support the foregoing Joint Petition because it is in the public interest; however, in the event that the Administrative Law Judges or the Commission

² See 52 Pa. Code § 69.391.

³ *Id.* at §§ 5.231, 69.391, 69.401.

disapprove the Settlement or modify any terms or conditions herein, the Industrial Customer Groups will resume their litigation positions, which differ from the terms of the Joint Petition.

A. GENERAL

5. The Joint Petitioners agree that approval of the proposed Settlement is overwhelmingly in the best interest of the parties involved and that the Joint Application should be approved.

6. The Settlement specifically satisfies the concerns of the Industrial Customer Groups as set forth below.

B. RATES

7. The Joint Applicants agree to unify full base distribution rates for all rate classes at the conclusion of three rate cases, filed on or after January 1, 2025, or for a period of ten years from the date the Commission approves the Joint Application, whichever occurs first.⁴ As noted by the Industrial Customer Groups in this proceeding, rate consolidation matters can produce winners and losers as rates move towards consolidation.⁵ By unifying distribution rates over three rate cases or for a period of ten years, the Settlement recognizes the need for gradualism with respect to this concern.

8. The Joint Applicants agree to file four cost of service models, one for each Rate District, as well as a consolidated FE PA cost of service model, in the next rate case after approval of the Joint Application, as well as in each subsequent rate case until full rate consolidation is achieved.⁶ As noted by the Industrial Customer Groups, providing separate cost of service models

⁴ Joint Petition at ¶ 32.

⁵ Industrial Customers Statement No. 1, Direct Testimony and Exhibits of Kathleen A. Kelly ("Industrial Customers St. No. 1"), pp. 18, 26-27.

⁶ Joint Petition at ¶ 33.

would allow both customers and the PUC to compare and contrast the rate impacts associated with consolidation, thereby providing the ability to appropriately modify such rates if needed to ensure gradualism.⁷ Accordingly, this term of the Settlement addresses the Industrial Customer Groups' concerns regarding the need for gradualism as the consolidation occurs.

9. The Joint Applicants agree to track savings in operating expenses achieved from the transaction regarding Met-Ed, Penelec, Penn Power, and West Penn (collectively, "Pennsylvania OpCos"),⁸ which will be placed into a regulatory liability account to be flowed back to ratepayers in each base rate case for five years after Commission approval of the Joint Petition.⁹ Any savings remaining at the end of the five-year period will be flowed back to ratepayers in the first available rate proceeding.¹⁰ As part of each base rate case filing during that same period, FE PA will include incremental and cumulative data quantifying the financial benefits provided to ratepayers as a result of the consolidation.¹¹ As raised by the Industrial Customer Groups, tracking of the costs and benefits of the consolidation, as well as flowing any benefits back to customers, is important to ensure adequate protections for ratepayers.¹² This term of the Settlement addresses the Industrial Customer Groups' concerns regarding this issue.

10. The Joint Applicants agree to maintain a list on the FE PA website of the historical rate schedules for each of the Rate Districts on a rolling five-year basis, including zonal and system scaling factors for the Industrial classes, by Rate District, applicable during each rate term.¹³ As

⁷ Industrial Customers St. No. 1, p. 28.

⁸ Joint Petition at ¶ 34.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² Industrial Customers St. No. 1, pp. 6, 28; Industrial Customers Statement No. 1SR, Surrebuttal Testimony of Kathleen A. Kelly ("Industrial Customers St. No. 1SR"), pp. 6, 10-12.

¹³ Joint Petition at ¶ 39.

consolidation of rates occurs over the coming year, providing this information to customers via an easily accessible process will ensure that customers are able to adequately track rate changes.¹⁴

C. LOW-INCOME PROGRAMS

11. The Joint Petitioners agree that allocation of Universal Service and Energy Conservation Plan ("USECP") costs to other customer classes, including the Industrial class, will not be discussed at the Universal Service Advisory Committee ("USAC") meetings.¹⁵ Because the Industrial Customer Groups do not benefit from USECP programs, the Industrial Customer Groups would prefer to limit resources related to USAC meetings. By ensuring that the issue of cost allocation will not be deliberated during these meetings, the Industrial Customer Groups are able to conserve such resources.

D. OPERATIONS AND CUSTOMER SERVICE

12. The Joint Applicants agree not to withdraw transmission facilities from the operational control of PJM Interconnection, L.L.C. ("PJM"), unless KATCo first applies for, and obtains, Commission authorization.¹⁶ While the Joint Applicants would currently need to apply and obtain Commission authorization for withdrawal of KATCo from PJM, the Industrial Customer Groups appreciate this requirement being memorialized as part of the Settlement.¹⁷

E. THE PENNSYLVANIA STATE UNIVERSITY (UNIVERSITY PARK CAMPUS)

13. The Industrial Customer Groups do not oppose the PSU-specific settlement terms set forth in the Joint Petition.¹⁸

¹⁴ Industrial Customers St. No. 1, pp. 19-20, 28.

¹⁵ Joint Petition at ¶ 43.

¹⁶ *Id.* at ¶ 48.

¹⁷ Industrial Customers St. No. 1, p. 27.

¹⁸ Joint Petition at ¶¶ 52-53.

F. ADDITIONAL PROVISIONS

14. The Joint Applicants reaffirm that they will not seek to recover any transaction or transition costs, as defined in the Joint Petition, related to the consolidation from distribution or transmission rates.¹⁹ As raised by the Industrial Customers Groups, such costs may limit the benefits stemming from consolidation. Joint Applicants' reaffirmation not to recover these costs ensures that resulting benefits to ratepayers will not be reduced by these costs.²⁰

15. FE PA agrees to hold collaborative meetings in advance of filing regulatory-required plans, including DSPs, USECPs, EE&C Plans, Long-Term Infrastructure Improvement Plans ("LTIIPs") and, in the event that PJM implements a seasonal capacity construct, any filings revising the Joint Applicants' capacity market recovery methodology.²¹ Such collaboratives will be used to discuss the consolidation's impact on these filings and FE PA's plans to unify the programs going forward.²² As noted previously, consolidation of the Pennsylvania OpCos may impact the aforementioned regulatory-required plans. Allowing for collaborative meetings in advance of these filings should assist in lessening the impact on ratepayers.

16. The Joint Applicants confirm that they will initiate bi-annual meetings with the Industrial Customer Groups and IECPA to discuss reliability, calculation of individual customer Peak Load Contributions ("PLCs"), and rates.²³ During these meetings, the Industrial Customer Groups and IECPA may provide advance notice of additional topics for the agenda, which may include individual reliability and/or power quality concerns that will be investigated and addressed

¹⁹ *Id.* at ¶ 54.

²⁰ Industrial Customers St. No. 1, pp. 17, 27.

²¹ Joint Petition at ¶ 55.

²² *Id.*

²³ *Id.* at ¶ 56.

as breakout topics with those specific customers, including root cause analyses and options for corrective actions.²⁴ Because consolidation of the Pennsylvania OpCos may impact ratepayers, including Industrial customers, and these bi-annual meetings will provide Industrial customers the opportunity to address and discuss any resulting issues of concern with the Joint Applicants.

IV. SETTLEMENT CONDITIONS

17. The Settlement is conditioned upon the Commission's approval of the terms and conditions in the Joint Petition. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement. In addition, the Settlement reserves the Joint Petitioners' respective procedural rights in the event the Commission does not approve the Settlement without modification. This provision is important for the Industrial Customer Groups, as it recognizes that the parties may have set forth various positions during the course of litigating this proceeding; however, the Settlement was a product of negotiation among the parties.

V. CONCLUSION

WHEREFORE, the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, and the West Penn Power Industrial Intervenors respectfully request that Administrative Law Judges Conrad A. Johnson and Emily I. DeVoe and the Pennsylvania Public Utility

²⁴ *Id.*

Commission approve the foregoing Joint Petition for Approval of Settlement of All Issues without modification.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Susan E. Bruce (I.D. No. 80146)
Charis Mincavage (I.D. No. 82039)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
sbruce@mcneeslaw.com
cmincavage@mcneeslaw.com

Counsel to the Met-Ed Industrial Users Group,
the Penelec Industrial Customer Alliance, and
the West Penn Power Industrial Intervenors

Dated: August 30, 2023

Appendix I
IECPA's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|--|---|----------------------------|
| Joint Application of Metropolitan Edison | : | |
| Company, Pennsylvania Electric Company, | : | |
| Pennsylvania Power Company, West Penn | : | |
| Power Company, Keystone Appalachian | : | Docket Nos. A-2023-3038771 |
| Transmission Company, Mid-Atlantic | : | A-2023-3038792 |
| Interstate Transmission, LLC, and FirstEnergy | : | A-2023-3038793 |
| Pennsylvania Electric Company for All of the | : | A-2023-3038794 |
| Necessary Authority, Approvals, and | : | A-2023-3038795 |
| Certificates of Public Convenience for (1) the | : | A-2023-3038807 |
| Agreements and Plans of Merger; (2) the | : | A-2023-3038808 |
| Establishment of FirstEnergy Pennsylvania | : | G-2023-3038818 |
| Holding Company LLC as an Intermediate | : | G-2023-3038819 |
| Holding Company in the Chain of Ownership | : | G-2023-3038820 |
| of FirstEnergy Pennsylvania Electric | : | G-2023-3038821 |
| Company; (3) the Merger of Metropolitan | : | G-00020956 |
| Edison Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, and | : | |
| West Penn Power Company with and into | : | |
| FirstEnergy Pennsylvania Electric Company; | : | |
| (4) the Initiation by FirstEnergy Pennsylvania | : | |
| Electric Company of Electric Service in All | : | |
| Territories in this Commonwealth where | : | |
| Metropolitan Edison Company, Pennsylvania | : | |
| Electric Company, Pennsylvania Power | : | |
| Company, and West Penn Power Company Do | : | |
| or May Provide Electric Service; (5) the | : | |
| Abandonment by Metropolitan Edison | : | |
| Company, Pennsylvania Electric Company, | : | |
| Pennsylvania Power Company, and West Penn | : | |
| Power Company of All Electric Service in this | : | |
| Commonwealth; (6) the Adoption by | : | |
| FirstEnergy Pennsylvania Electric Company of | : | |
| Metropolitan Edison Company, Pennsylvania | : | |
| Electric Company, Pennsylvania Power | : | |
| Company, and West Penn Power Company's | : | |
| Existing Tariffs and their Application within | : | |
| New Service and Rate Districts of FirstEnergy | : | |
| Pennsylvania Electric Company | : | |
| Corresponding to their Electric Service | : | |
| Territories as the Met-Ed Rate District, | : | |
| Penelec Rate District, Penn Power Rate | : | |
| District, West Penn Rate District, and The | : | |

Pennsylvania State University Rate District, :
Respectively; (7) the sale of Class B :
Membership Interest in Mid-Atlantic Interstate :
Transmission, LLC held by Met-Ed and :
Penelec to FirstEnergy Corp.; (8) the :
Contribution of West Penn Power Company's :
Transmission Assets to Keystone Appalachian :
Transmission Company; (9) a Certificate of :
Public Convenience Conferring Upon :
Keystone Appalachian Transmission Company :
the Status of a Pennsylvania Public Utility; :
(10) Where Necessary, Associated Affiliated :
Interest Agreements; and (11) Any Other :
Approvals Necessary to Complete the :
Contemplated Transaction :

**THE INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S
STATEMENT IN SUPPORT OF THE JOINT PETITION
FOR SETTLEMENT**

The Industrial Energy Consumers of Pennsylvania ("IECPA"), by counsel, hereby submits this Statement in Support of the Joint Petition for Settlement ("Settlement") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") by the parties in the above-referenced proceedings, and asserts that the terms of the Settlement are just and reasonable and that approval of the Settlement is in the public interest.

I. INTRODUCTION

1. On March 6, 2023, Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), West Penn Power Company ("West Penn Power"), Keystone Appalachian Transmission Company ("KATCo"), Mid-Atlantic Interstate Transmission, LLC ("MAIT"), and FirstEnergy Pennsylvania Electric Company ("FE PA") (collectively, "Joint Applicants") filed with the Commission a Joint Application requesting

[A]uthority, approval, and certificates of public convenience for (1) the Agreements and Plans of Merger; (2) the establishment of FirstEnergy Pennsylvania Holding Company LLC ("FE PA HoldCo") as an intermediate holding company in the chain of ownership of FE PA; (3) the merger of Met-Ed, Penelec, Penn Power, and West Penn with and into FE PA; (4) the initiation by FE PA of electric service in all territories in this Commonwealth where Met-Ed, Penelec, Penn Power, and West Penn do or may provide electric service; (5) the abandonment by Met-Ed, Penelec, Penn Power, and West Penn of all electric service in this Commonwealth; (6) the adoption by FE PA of Met-Ed, Penelec, Penn Power, and West Penn's existing tariffs and their application within new service rate districts of FE PA corresponding to their existing service territories as Met-Ed ("ME") Rate District, Penelec ("PN") Rate District, Penn Power ("PP") Rate District, West Penn ("WP") Rate District, and The Pennsylvania State University ("PSU") Rate District, respectively; (7) the sale of the Class B membership interests in MAIT held by Met-Ed and Penelec to FirstEnergy Corp. ("FirstEnergy"); (8) the contribution of West Penn's transmission assets to KATCo ("Transmission Assets"); (9) a certificate of public convenience conferring upon KATCo public utility status; and (10) to the extent necessary, associated affiliated interest agreements.

Joint Application, pp. 1-2.

2. On April 5, 2023, IECPA filed a Petition to Intervene to participate in this proceeding. As indicated in its Petition to Intervene, IECPA is an association of energy-intensive industrial consumers of electricity and natural gas taking service from a variety of regulated utilities in Pennsylvania. IECPA's members for the purpose of this proceeding take service from Met-Ed, Penelec, Penn Power, and West Penn, and can be counted among the largest retail customers in the Joint Applicants' service territories. Among other things, IECPA was concerned the proposed merger may impact electric reliability, customer service, and quality of service that IECPA currently receives. IECPA intervened in this proceeding in order to address its concerns with the potential impact of the Joint Application.

3. To that end, on June 15, 2023, IECPA and the Met-Ed Industrial Energy Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customers"), jointly filed the Direct Testimony of Kathleen A. Kelly, addressing certain aspects of the Joint Application that presented

significant concern to the Industrial Customers. These issues generally included: identification, quantification, and realization of affirmative public benefits to ratepayers from the proposed transaction; the need for future regulatory reporting and tracking post-transaction; and the potential impact on industrial rates and competitive operations within the Joint Applicants' service territories and the Commonwealth. *See generally* Industrial Customers Statement No. 1.

4. On August 1, 2023, the Industrial Customers submitted the Surrebuttal Testimony of Kathleen A. Kelly responding to the Rebuttal Testimony of the Joint Applicants. *See generally* Industrial Customers Statement No. 1SR.

II. STANDARD OF APPROVAL OF SETTLEMENT

5. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. To accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

6. In keeping with this policy, the parties in this case, including Walmart, engaged in numerous discussions on the many issues presented in the course of litigation. These negotiations ultimately produced the Settlement presented in this proceeding. The settling parties agree that this Settlement is in their best interests and in the best interests of the Pennsylvania public.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. General

7. IECPA concurs with the Settlement's statement that it reflects "a carefully balanced compromise of the Joint Petitioners' positions on various issues," which will be summarized in this Statement in Support. Settlement, ¶ 30. For this reason, and explained below, IECPA supports the Settlement as being in the public interest and requests that it be approved.

B. Rates

8. As noted in Industrial Customer Statement No. 1, IECPA (and the other industrial groups) expressed concerns regarding the potential impact that rate cases resulting from this consolidation may have on customers by potentially creating winners and losers through the unification of rate schedules. *See* Industrial Customer Statement No. 1, pp. 17-20. To address this potential problem, particularly in the short-term where affirmative benefits of the consolidation may not be realized, at least in comparison with short-term reporting and increased regulatory costs, IECPA and the other industrial groups recommended that the Commission impose a limited "stay-out" of rate case filings. *Id.* at 26.

9. In order to address concerns related to future rate cases and rate increases subsequent to consolidation, the Settlement includes a number of provisions in Paragraphs 32-39. These provisions reflect substantial compromise among the parties that IECPA supports as being in the public interest. Of particular note and importance to IECPA, the Settlement provides that unification of customer rates for a ten-year period or three rate cases after January 1, 2025; the inclusion in these rate filings of multiple cost of service models for each distinct Rate District; tracking of important operating expense savings with a "flow back" provision to customers; a commitment to gradualism and fairness in establishing unified rates; and the maintaining of

historical rates schedules and associated scaling factors for industrial customers on a rolling five-year basis. Settlement, ¶¶ 32, 33, 34, 36, and 39, respectively. IECPA supports these provisions as a good faith compromise and effort on the part of the Joint Applicants to quantify and demonstrate affirmative benefits of this consolidation.

C. Low-Income Programs

10. IECPA does not take a position on the various measures within the Settlement addressing low-income programs, with one exception. Specifically, Paragraph 43 insures that Universal Service Advisory Committee ("USAC") meetings will not be a venue for the deliberation of possible cost allocation revisions for universal service costs. *Id.* at ¶ 43. As an association of energy-intensive and trade-exposed industrial customers who will not likely participate in these USAC meetings, IECPA views this provision as a critical protection of all parties' interests in this issue which – per the Commission's guidance¹ - should be reserved for deliberation, if at all, in the context of FirstEnergy PA's future Section 1308 base rate proceedings.

D. Operations and Customer Service

11. IECPA does not take a position on the provisions within the Settlement pertaining to Operations and Customer Service, but does agree that these provisions reflect compromise among the affected parties that is in the public interest.

E. The Pennsylvania State University (University Park Campus)

12. IECPA does not take a position on the provisions within the Settlement pertaining to the Pennsylvania State University (University Park Campus), but does agree that these provisions reflect compromise among the affected parties that is in the public interest.

¹ 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.261-69.267, Docket No. M-2019-3012599, Final Policy Statement and Order (issued Sept. 19, 2019), p. 97.

F. Additional Provisions

13. As noted in Industrial Customer Statement No. 1, IECPA raised a concern regarding the possible collection of transition costs related to the proposed consolidation. Industrial Customer Statement No. 1, p. 19. The Settlement contains a critical provision both defining what the transition costs of the consolidation will be and assurance that neither these costs, nor the transaction costs of the consolidation, will be recovered in distribution or transmission rates. Settlement, ¶ 54

14. IECPA and the other industrial groups also noted in this proceeding that the proposed transaction, as filed, did not provide adequate assurances of "improved service quality" on the Joint Applicants' system in Pennsylvania. *See* Industrial Customer Statement No. 1, pp. 13-14. Although not mentioned specifically in testimony, the question of service quality in the form of reliability improvements, PJM capacity constructs, customer peak load contributions, and other issues did arise in the context of settlement negotiations between the parties. In response, and directly related to the question of improved service quality, the Settlement provides that the Joint Applicants will hold collaborative meetings in advance of its rate filings "for modifications to the Joint Applicants' regulatory-required plans or its next scheduled plan filings, to include Default Service Plan, USECP, Energy Efficiency and Conservation Plan, Long-Term Infrastructure Improvement Plan and, in the event that PJM implements a seasonal capacity construct, any filings related to revisions to the Joint Applicants' recovery methodology concerning those capacity market changes." Settlement, ¶ 55. Additionally, Paragraph 56 of the Settlement specifically establishes twice-yearly meetings with the industrial parties "to discuss topics of interest, including general reliability, calculation of individual customer peak load contributions, and rate overviews." *Id.* at ¶ 56. IECPA supports both provisions of the Settlement as means of addressing issues of

material relevance to stakeholders – including industrial ratepayers – going forward, thus evincing the presentation of affirmative ratepayer benefits that IECPA believes is necessary for this consolidation transaction.

IV. CONCLUSION

15. For the reasons stated herein, IECPA supports the Settlement filed by the parties in this proceeding as a just and reasonable resolution of the various complex issues presented in the case. This Settlement was the product of extensive negotiations resulting in compromise among all of the parties. IECPA believes that the terms of the Settlement are in the interest of the parties and the Pennsylvania public, and for that reason respectfully requests that it be adopted in full.

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully requests that Administrative Law Judges Conrad A. Johnson and Emily E. DeVoe and the Pennsylvania Public Utility Commission approve the Joint Petition for Settlement filed by the parties in this proceeding, without modification.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By 

Derrick Price Williamson (Pa. I.D. No. 69274)

Barry A. Naum (Pa. I.D. No. 204869)

Steven W. Lee (Pa. I.D. No. 332797)

1100 Bent Creek Boulevard, Suite 101

Mechanicsburg, PA 17050

Phone: (717) 795-2740

Fax: (717) 795-2743

dwilliamson@spilmanlaw.com

bnaum@spilmanlaw.com

slee@spilmanlaw.com

*Counsel to the Industrial Energy Consumers of
Pennsylvania*

Dated: August 30, 2023

Appendix J
PSU's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|--|---|----------------------------|
| Joint Application of Metropolitan Edison | : | |
| Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, | : | Docket Nos. A-2023-3038771 |
| West Penn Power Company, Keystone | : | A-2023-3038792 |
| Appalachian Transmission Company, Mid- | : | A-2023-3038793 |
| Atlantic Interstate Transmission, LLC, and | : | A-2023-3038794 |
| FirstEnergy Pennsylvania Electric | : | A-2023-3038795 |
| Company for All of the Necessary | : | A-2023-3038807 |
| Authority, Approvals, and Certificates of | : | A-2023-3038808 |
| Public Convenience for (1) the Agreements | : | G-2023-3038818 |
| and Plans of Merger; (2) the Establishment | : | G-2023-3038819 |
| of FirstEnergy Pennsylvania Holding | : | G-2023-3038820 |
| Company LLC as an Intermediate Holding | : | G-2023-3038821 |
| Company in the Chain of Ownership of | : | G-00020956 |
| FirstEnergy Pennsylvania Electric | : | |
| Company; (3) the Merger of Metropolitan | : | |
| Edison Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, | : | |
| and West Penn Power Company with and | : | |
| into FirstEnergy Pennsylvania Electric | : | |
| Company; (4) the Initiation by FirstEnergy | : | |
| Pennsylvania Electric Company of Electric | : | |
| Service in All Territories in this | : | |
| Commonwealth where Metropolitan | : | |
| Edison Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, | : | |
| and West Penn Power Company Do or May | : | |
| Provide Electric Service; (5) the | : | |
| Abandonment by Metropolitan Edison | : | |
| Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, | : | |
| and West Penn Power Company of All | : | |
| Electric Service in this Commonwealth; (6) | : | |
| the Adoption by FirstEnergy Pennsylvania | : | |
| Electric Company of Metropolitan Edison | : | |
| Company, Pennsylvania Electric | : | |
| Company, Pennsylvania Power Company, | : | |
| and West Penn Power Company's Existing | : | |
| Tariffs and their Application within New | : | |
| Service and Rate Districts of FirstEnergy | : | |
| Pennsylvania Electric Company | : | |
| Corresponding to their Existing Service | : | |
| Territories as the Met-Ed Rate District, | : | |

Penelec Rate District, Penn Power Rate :
District, West Penn Rate District, and The :
Pennsylvania State University Rate :
District, Respectively; (7) the sale of Class :
B Membership Interests in Mid-Atlantic :
Interstate Transmission, LLC held by Met- :
Ed and Penelec to FirstEnergy Corp.; (8) :
the Contribution of West Penn Power :
Company's Transmission Assets to :
Keystone Appalachian Transmission :
Company; (9) a Certificate of Public :
Convenience Conferring Upon Keystone :
Appalachian Transmission Company the :
Status of a Pennsylvania Public Utility; :
(10) Where Necessary, Associated :
Affiliated Interest Agreements; and (11) :
Any Other Approvals Necessary to :
Complete the Contemplated Transaction :
:

**STATEMENT OF THE PENNSYLVANIA STATE UNIVERSITY
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

Thomas J. Sniscak, Esq. (PA ID No. 33891)
Whitney E. Snyder, Esq. (PA ID No. 316625)
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Tel: (717) 236-1300
tjsniscak@hmslegal.com
wesnyder@hmslegal.com

Counsel for The Pennsylvania State University

Dated: August 30, 2023

TABLE OF CONTENTS

I. INTRODUCTION..... 1

II. STANDARD FOR APPROVAL OF SETTLEMENT..... 1

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST 2

 A. General..... 2

 B. Rates (Joint Petition, ¶¶ 32-39)..... 2

 C. Low Income Programs (Joint Petition, ¶¶ 40-47)..... 4

 D. Operations and Customer Service (Joint Petition at ¶¶ 48-51)..... 4

 E. The Pennsylvania State University (Joint Petition at ¶¶ 52-53) 4

 F. Additional Provisions (Joint Petition at ¶¶ 54-57)..... 5

IV. CONCLUSION 6

I. INTRODUCTION

The Pennsylvania State University (“PSU”) submits this Statement in Support of the Joint Petition for Partial Settlement (“Joint Petition”) filed by Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), West Penn Power Company (“West Penn”), Keystone Appalachian Transmission Company (“KATCo”), Mid-Atlantic Interstate Transmission, LLC (“MAIT”) and FirstEnergy Pennsylvania Electric Company (“FE PA”) (collectively, the “Joint Applicants”), the Office of Consumer Advocate (“OCA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Met-Ed Industrial Users Group (“MEIUG”), Penelec Industrial Customer Alliance (“PICA”), and West Penn Power Industrial Intervenors (“WPPII”) (collectively, “Industrial Customer Groups”), the Industrial Energy Consumers of Pennsylvania (“IECPA”), and PSU, parties to the above-captioned proceedings (collectively, the “Joint Petitioners”).¹

PSU offers its support for the terms of the Joint Petition for Settlement (“Settlement”) which allows for approval of the Transaction² on terms that provide benefits to customers and avoid negative impacts to customers. PSU believes that the Settlement is in the public interest and respectfully requests that the Presiding Officers and the Commission approve the Joint Petition, without modification.

II. STANDARD FOR APPROVAL OF SETTLEMENT

1. To accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-

¹ The Office of Small Business Advocate (“OSBA”), the Commission’s Bureau of Investigation and Enforcement (“I&E”), Calpine Retail Holdings, LLC (“Calpine”), and the Retail Energy Supply Association (“RESA”) represented that they are not opposing the Settlement.

² Capitalized terms not otherwise defined herein are defined in the Joint Petition.

00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

2. PSU is not taking a position on whether the affirmative public benefits standard applies to the Transaction.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. General

3. In lieu of full litigation of contested proceedings, the Commission encourages parties to settle all or as many issues as possible in order to preserve the time and resources of all involved. 52 Pa. Code §§ 5.231(a) and 69.391(a). The Joint Petitioners were able to resolve their differences via the Settlement terms, which represent a reasonable compromise of the various parties' positions in a manner which is in the public interest.

4. Through this Joint Petition, the Joint Petitioners have been able to reasonably address many of the issues in this proceeding. Thus, the settlement, taken as a whole, is in the public interest and should be approved without modification.

B. Rates (Joint Petition, ¶¶ 32-39)

5. FE PA has agreed to apply gradualism to the process of attempting to unitize/consolidate rates over the four FE Companies, utilizing an approximately 10-year period over which to unitize rates. Joint Petition at ¶ 32.

6. FE PA has also agreed to provide a cost of service study for each rate district in each rate case until unitization is achieved and historical rate schedules on a rolling five year basis. Joint Petition at ¶¶ 33, 39.

7. The parties have also agreed that rate unitization should not extraordinarily disadvantage or harm any customer group. Joint Petition at ¶ 36.

8. Taken together, these commitments protect all ratepayers by applying gradualism over an approximately 10-year period through a series of base rate cases while still ensuring evidence of cost of service of each operating territory will be present to allow parties to present their respective views on whether gradualism and cost of service are working in cooperation to develop just, reasonable, and non-discriminatory rates. These terms will also provide parties with additional time and data to examine and present positions on how unitization should occur and throughout multiple rate proceedings. Moreover, with the staggered moves towards unitization, the Commission will be able to monitor impacts and results of each step.

9. PSU is a major generation, transmission, and distribution service customer of West Penn at its University Park campus receiving service through West Penn's Tariff Electric – Pa. P.U.C. No. 38 ("Tariff 38"). PSU is the only customer taking service under Tariff 38. PSU also receives generation, transmission and distribution service from West Penn under rate schedules other than Tariff 38 for approximately one hundred (100) additional accounts at the University Park campus, including the airport and campuses at New Kensington, Fayette and Mont Alto. PSU is also a customer of Penelec taking service at Penn State Erie, The Behrend College and the Altoona and Dubois campuses, along with some accounts near University Park. PSU also receives service from Met-Ed at its campuses at York and at the Fruit Research and Extension Center in Biglerville. Lastly, the Shenango campus receives service from Penn Power.

10. Thus, PSU is a customer of all four FE PA in addition to taking service under Tariff 38 which is specific to the University Park campus. The settlement provisions regarding rates and unitization of rates are of particular importance to PSU, which will participate in FE PA future rate proceedings and has raised cost of service and gradualism concerns in past base rate proceedings.

The settlement provisions provide a fair process for seeking rate unitization that allows for all parties to be heard in multiple proceedings over time on these issues.

11. FE PA has agreed to specifically track savings in operating expenses as a result of the Transaction for various categories of information and that savings will be flowed back to ratepayers in FE PA's future base rate proceedings. Joint Petition at ¶¶ 34-35.

12. This term results in cost savings attributable to the Transaction flowing to customers. This is a benefit to all customers.

13. FE PA has committed that to the extent FE PA seeks to include in rates any revenue requirement related to land subject to the Ground Lease that any related revenues will also be included as a component of distribution revenue in future base rate proceedings and to provide related information. Joint Petition at ¶¶ 37-38.

14. This term is a benefit to all customers and ensures that to the extent customers pay for land, customers also reap the financial benefits associated with the land.

C. Low Income Programs (Joint Petition, ¶¶ 40-47)

15. PSU takes no position on these issues other than stating that it does not oppose paragraphs 40-47 of the Joint Petition.

D. Operations and Customer Service (Joint Petition at ¶¶ 48-51)

16. PSU takes no position on these issues other than stating that it does not oppose paragraphs 48-51 of the Joint Petition.

E. The Pennsylvania State University (Joint Petition at ¶¶ 52-53)

17. FE PA has committed to make its proposed tariff modifications consistent with its representations in this proceeding that FE PA will continue to provide service under the same rates, terms, and conditions for service as the existing Pennsylvania OpCos. Joint Petition at ¶ 54. Specifically, PSU Witness Mr. Crist pointed out in his testimony that FE PA's originally-filed

proposed tariff modifications could change the rates and terms of service provided to PSU and provided suggested revisions to the tariff modification to provide clarity and address his concerns. PSU St. No. 1 at 3:17-7:22.

18. Thus, by agreeing to change its tariff modifications, FE PA has ensured rates and terms of service to PSU will not change. Thus, the Transaction will have no immediate negative impacts on PSU.

19. FE PA has also committed to maintaining the separate Rate District and base distribution rates for PSU currently reflected in West Penn Tariff 38. Joint Petition at ¶ 53. Thus, the Settlement provides assurances on a longer-term basis that the Transaction is unlikely to have negative impacts on PSU.

F. Additional Provisions (Joint Petition at ¶¶ 54-57)

20. FE PA's commitment not to seek recovery of transaction or transition fees protects customers from having to pay for the Transaction from rates. Joint Petition at ¶ 54. This is a protection for all ratepayers that the Settlement provides.

21. FE PA's commitment to hold collaborative meetings in advance of filing with the Commission for modifications to the Joint Applicants' regulatory-required plans or its next scheduled plan filings, to include Default Service Plan, USECP, Energy Efficiency and Conservation Plan, etc., Joint Petition at ¶ 55 is a benefit to PSU and all parties that participate in these FE proceedings because it will enable both advance notice of the filing so parties can be prepared and have additional time to consider proposed changes to any of these programs prior to having to do so in a litigated proceeding with limited time periods for litigation and decision.

22. PSU takes no position on the terms in ¶¶ 56-57.

IV. CONCLUSION

WHEREFORE, for all these reasons, the Pennsylvania State University believes that the Settlement is in the public interest and respectfully requests that the Presiding Officers and the Commission approve the Joint Petition for Settlement, without modification.

Respectfully submitted,

/s/ Whitney E. Snyder

Whitney E. Snyder, Attorney I.D. No. 316625

Thomas J. Sniscak, Attorney I.D. No. 33891

Hawke McKeon & Sniscak LLP

100 North Tenth Street

Harrisburg, PA 17101

Telephone: (717) 236-1300

Facsimile: (717) 236-4841

tjsniscak@hmslegal.com

wesnyder@hmslegal.com

Counsel for The Pennsylvania State University

Dated: August 30, 2023