

### **ADMINISTRATIVE CREDIT**

The charges to all Customers taking Service under Rate Schedules R, C, G, C-A, CSH, PH, OL, AL, MSL, SL, EMU, MU and special lighting contracts for Hagerstown and Frederick, shall include, in addition to the charges specified in this tariff, an Administrative Credit. Customers receiving Hourly-Priced LCS under the terms and conditions of the Hourly-Priced LCS Rider shall not be eligible for this credit.

For residential Customers taking Service under Rate Schedule R, the Administrative Credit will be in the form of a per kilowatt-hour credit, which will be calculated by dividing the available residential administrative adjustment revenues by the total residential distribution kilowatt-hours. For all other Customers, the Administrative Credit shall reflect revenues collected in excess of the Company's incremental costs to provide Type I SOS and Type II SOS. Applicable bills rendered shall include an amount equal to the credit times the number of kilowatt-hours used in the billing period. The resulting credit is in addition to any minimum charge set out in the Rate Schedule and is added to the Customer's bill before any surcharge is levied against the Customer's bill.

Credits shall be calculated in accordance with the Phase I Settlement Agreement in Case No. 8908. Adjustments to the credits will be made in June, October and January, or more frequently if necessary. For residential Customers taking Service under Rate Schedule R, this adjustment will reflect changes in the residential administrative adjustment revenues and the level of distribution kilowatt-hour sales used to calculate the credit. For all other Customers, this adjustment will reconcile payments of this credit against the Company's actual and forecasted revenues in excess of the incremental costs to provide Type I SOS and Type II SOS.

The current Administrative Credits are available on the Company's website at [www.alleghenypower.com](http://www.alleghenypower.com) .

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ISSUED BY DAVID W. MCDONALD, VICE PRESIDENT

Issued December 1, 2008

To become effective on  
all service rendered on  
or after January 1, 2009

Approved at Public Service Commission Administrative Meeting of December 31, 2008  
in Case Nos. 8908 and 9064