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**PRIMARY POWER SERVICE  
SCHEDULE 40**

AVAILABILITY

Available for service at 25,000 volts or higher 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.

Riders Available - Opportunity Power, Curtailable Service and Experimental Shoulder-Peak Riders are available under this schedule.

MONTHLY RATE

DISTRIBUTION CHARGES

(I)

Demand Charge (kW)

First Block kilowatts (0 to 2000) ..... \$0.223 per kilowatt  
Second Block kilowatts (Over 2000) ..... \$0.220 per kilowatt

Transformer Charge (kW)

First Block kilowatts (0 to 2000) ..... \$0.40 per kilowatt  
Second Block kilowatts (Over 2000) ..... \$0.20 per kilowatt

Voltage discount (kW)

First Block kilowatts (0 to 10000) ..... \$0.70 per kilowatt  
Second Block kilowatts (Over 10000) ..... \$0.22 per kilowatt

Reactive kilovolt-ampere charge

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.

Billing reactive kilovolt-amperes ..... \$0.40 per reactive kilovolt-ampere

Energy Charges (kWh)

First Block (0 to 400 kWh/kW) ..... \$0.00063 per kilowatt-hour  
Second Block (over 400 kWh/kW) ..... \$0.00061 per kilowatt-hour

Voltage Discount

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, above discounts will be allowed, but in no case will the amount of the minimum bill be hereby reduced.

(I) Indicates Increase

Continued on Page No. 13-2

**PRIMARY POWER SERVICE  
 SCHEDULE 40 (Continued)**

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

**Transformer Charge**

When Customer desires to take service under this Schedule at a voltage between 1,000 and 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.

**TRANSMISSION CHARGES**

**Demand Charge (kW)**

First Block kilowatts (0 to 2000) .....	\$0.211 per kilowatt
Second Block kilowatts (Over 2000) .....	\$0.202 per kilowatt

**Ancillary Services:**

Scheduling, System Control & Dispatch .....	\$0.000 per kilowatt
Energy Imbalance .....	\$0.000 per kilowatt
Reactive & Voltage Control .....	\$0.067 per kilowatt
Regulation & Frequency Response .....	\$0.071 per kilowatt
Spinning Reserve .....	\$0.192 per kilowatt
Supplemental Reserve .....	\$0.172 per kilowatt

**Energy Charges (kWh)**

First Block (0 to 400 kWh/kW) .....	\$0.00203 per kilowatt-hour
Second Block (over 400 kWh/kW) .....	\$0.00197 per kilowatt-hour

The transmission charges are based on PJM's Open Access Transmission Tariff which will change from time to time and is subject to Federal Energy Regulatory Commission (FERC) approval.

(C)

(C) Indicates Change

Continued on Page No. 13-3

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**SCHEDULE 40 (Continued)**

INTANGIBLE TRANSITION CHARGES (ITC/ITC-2)

Demand Charge (kW)		
First Block kilowatts (0 to 2000) .....	\$0.695 per kilowatt	(D)
Second Block kilowatts (Over 2000) .....	\$0.686 per kilowatt	(D)
Energy Charges (kWh)		
First Block (0 to 400 kWh/kW) .....	\$0.00200 per kilowatt-hour	(D)
Second Block (over 400 kWh/kW) .....	\$0.00194 per kilowatt-hour	(D)

Intangible Transition Charge (ITC/ITC-2) kilowatts and kilowatt-hours shall not exceed Customer's 1998 average monthly billed kilowatts and kilowatt-hours for Customers served hereunder as of January 1, 1998.

GENERATION CHARGES

Demand Charge (kW)		
First Block kilowatts (0 to 2000) .....	\$9.363 per kilowatt	(I)
Second Block kilowatts (Over 2000) .....	\$9.249 per kilowatt	(I)
Energy Charges (kWh)		
First Block (0 to 400 kWh/kW) .....	\$0.02666 per kilowatt-hour	(I)
Second Block (over 400 kWh/kW) .....	\$0.02587 per kilowatt-hour	(I)

The transmission and generation charge applies only to Customers receiving PLR service from Company. These charges do not apply to Customers obtaining Competitive Energy Supply.

Tax Adjustment Surcharge

The Tax Adjustment Surcharge included in this Tariff applies to charges under this Schedule.

Late Payment Charge

The above net rates apply if the current bill is paid in full within 15 days of the date of such bill and if all previous undisputed bills have been paid in full. A late payment charge of 1.25% per month of the unpaid balance of a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

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 system. For service at other voltages, Customer should contact Company for loss factor.

(D) Indicates Decrease  
(I) Indicates Increase

Concluded on Page No. 13-4

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**SCHEDULE 40 (Concluded)**

**DETERMINATION OF CUSTOMER'S DEMAND**

Customer's Kilowatt Demand:

The Customer's kw demand for any month shall be the maximum fifteen-minute on-peak demand plus 20% of the amount the off-peak demand exceeds 150% of the on-peak demand. The on-peak demand shall be the maximum fifteen-minute kilowatt demand of the on-peak period plus 25% of the excess of the maximum instantaneous kilowatt operating peak of the on-peak period over 140% of the maximum 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.

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

- (a) 2,000 kilowatts.
- (b) 50% of the kilowatt capacity specified in the Electric Service Agreement.
- (c) 50% 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.

Customer's Reactive Kilovolt-Ampere Demand

The Customer's Reactive Kilovolt-Ampere Demand for any month shall be the maximum fifteen-minute leading or lagging reactive kilovolt-ampere demand.

**TERM**

The minimum Term of the Electric Service Agreement required by Company under Rule 29 shall be four 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.