

WEST PENN POWER COMPANY

**ALTERNATIVE GENERATION RIDER
SCHEDULE 86**

AVAILABILITY

Available for the sale of electricity to Customers, including small power producers and cogenerators which are qualifying facilities as defined in the Public Utility Regulatory Policies Act of 1978. To qualify for this Rider, Customer, at the site of Customer's service under this Rider, must operate or utilize electric service from active electrical generation facilities not owned by the Company but operating in parallel with the Company's facilities ("alternative generation facilities"). Electricity sold under this Rider may not be resold; nor may it be used to operate the auxiliary loads of the alternative generation facilities while those facilities are generating electricity for sale to a subsidiary of the Allegheny Power System, Inc., except during periods of emergency on the alternative generation station service facilities and with the approval of the Company. A recording demand meter must be installed on all connections receiving service under this Rider. An Electric Service Agreement shall be executed.

TYPES OF SUPPLY

Types of power supply available are Supplementary, Maintenance (Firm or Interruptible), and Standby (Firm or Interruptible). For the purposes of this Rider, "normal alternative generation" for the billing period shall be determined as follows:

- (1) The most recent three billing periods each of which contains at least one 15-minute interval during which alternative generation occurred without the use of Standby or Maintenance Power shall be used; the total number of such 15-minute intervals in those periods shall be identified;
- (2) The net alternative generation for all those intervals identified in (1) shall be totaled;
- (3) The result of (2) shall be divided by one-fourth of the number of fifteen-minute intervals identified in (1).

SUPPLEMENTARY POWER is power that is used by the Customer in addition to that normally produced by the alternative generation facilities. Supplementary Power is available to the Customer under applicable existing standard rate schedules with the billing units determined as described herein. All power provided to the Customer by the Company shall be deemed to be Supplementary Power unless the Company determines that it is Maintenance Power or Standby Power as described below:

FIRM OR INTERRUPTIBLE MAINTENANCE POWER is power which is used by the Customer and replaces the alternative generation during periods of scheduled maintenance of the alternative generation facilities. Maintenance Power is subject to the following constraints:

- (1) In each calendar year Firm Maintenance Power may be made available not more than 70 days during the periods from March 15 to May 31, inclusive, or from September 15 to November 30, inclusive.
- (2) Availability of Firm Maintenance Power shall be determined by the Company upon the Customer's written request at least 30 days but not more than 120 days in advance of the date the Customer wishes to begin receiving such power. The Company shall notify the Customer whether Firm Maintenance Power will be available during the period requested, and if not, when Firm Maintenance Power will be available.

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- (3) If the Customer is informed by the Company that Firm Maintenance Power will not be available as requested, the Customer may elect to take Interruptible Maintenance Power for the period for which Firm Maintenance Power will not be available, provided that the Customer gives the Company seven days advance written notice thereof. In no event, however, may the number of days upon which Firm or Interruptible Maintenance Power is taken exceed a total of 70 in a calendar year.
- (4) If the Customer ceases use of Maintenance Power before the end of the scheduled period, the Customer must notify the Company by telephone and send or deliver a notice in writing to the Company no later than one business day after the Customer ceases such use.
- (5) All requests for Firm Maintenance Power and notices of Interruptible Maintenance Power must specify the kilowatt capacity required, as well as the beginning and the end of the Maintenance Power period.
- (6) The Company shall not supply Maintenance Power in excess of the normal alternative generation for the billing period.
- (7) During any period that Firm Maintenance Power is made available, the Maintenance Power Agreement Capacity shall be the capacity of Firm Maintenance Power expressed in kilowatts that the Company agreed to deliver to the Customer during that period.
- (8) During any period that Interruptible Maintenance Power is used by the Customer, the Maintenance Power Agreement Capacity shall be the capacity expressed in kilowatts of Interruptible Maintenance Power specified in the Customer's written notice of Interruptible Maintenance Power use.

FIRM OR INTERRUPTIBLE STANDBY POWER is power made available by the Company for the Customer's use and which replaces the alternative generation capacity utilized by the Customer during an unscheduled outage of the alternative generation facilities. It will be available under the following conditions:

- (1) The Customer must contract in advance for either Firm or Interruptible Standby Power, but not both, and an initial Standby Power Agreement Capacity must be specified by the Customer and approved by the Company before delivery of Standby Power.
- (2) Standby Power will not be provided for more than 20% of the hours in any twelve-month period. After those hours of Standby Power have been exhausted, any power supplied, unless determined by the Company to be Maintenance Power, will be billed to the Customer as Supplementary Power. If the Customer has not previously contracted for Supplementary Power, such Supplementary Power shall be billed under the Monthly Service provision of General Service Schedule 20. (C)
- (3) The Customer shall be deemed to have used Standby Power for any fifteen-minute interval during which: a) Maintenance Power was scheduled; and b) the demand created exceeds the sum of the then-effective Maintenance Power Agreement Capacity and kilowatt portion of the Customer's Supplementary Power Demand.
- (4) The three-month period beginning on the date the alternative generation facilities first operate in parallel with the Company's facilities shall not be used in the determination of the number of Standby Power hours used by the Customer.

(C) Indicates Change

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- (5) The Customer must notify the Company by telephone and send or deliver a follow-up notice in writing within one business day of the beginning of an unscheduled outage of the Customer's facilities requiring the use of Standby Power. Such notice shall specify the time the outage began, the cause of the outage, and its estimated duration. At the end of such an unscheduled outage, the Customer must notify the Company by telephone and send or deliver a notice in writing to the Company within one business day of the end of the outage. Such notice shall include the final determination of the outage cause and duration. The Company may require verification of the cause of the unscheduled outage.
- (6) If a Standby Power Billing Demand is established which is greater than the Standby Power Agreement Capacity, the Standby Power Agreement Capacity shall automatically be increased to that greater value.
- (7) The Company shall not provide Standby Power in excess of the normal alternative generation for the billing period.

INTERRUPTIBLE POWER PROVISIONS

Obligations

Interruptible Maintenance or Interruptible Standby Power shall be interrupted when, in the sole judgment of the Company, any production, transmission, or distribution limitations exist. During an interruption period, the Customer's total load must be reduced to no more than the sum of the firm capacity, if any, specified in the Electric Service Agreement under which Supplementary Power is provided plus the Firm Standby Power Agreement Capacity, if the Customer is using Firm Standby Power at the time, plus the Firm Maintenance Power Agreement Capacity, if any, which may be in effect at the time. The interruption period shall begin 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.

Penalty

The maximum by which the Customer's fifteen-minute kilowatt demands exceed the sum of the Customer's firm capacities (i.e., the sum of the Customer's Supplementary, Maintenance, and Standby Firm capacities as applicable during each interruption period shall be subject to a penalty charge. Only one such penalty shall be assessed per interruption period. The first time that the Customer is notified by the Company to interrupt service and the Customer fails to reduce load to not more than the sum of its firm capacities, a penalty of \$10 per kilowatt shall be applied to those kilowatts in excess of firm capacities. Upon the second occurrence of such a failure to interrupt, a penalty of \$10 per kilowatt calculated as set forth above shall be applied and interruptible service shall not be available to the Customer for the next two years. Upon the third occurrence of such a failure to interrupt, a \$10 per kilowatt penalty shall be applied and interruptible service shall no longer be available to the Customer.

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**ALTERNATIVE GENERATION RIDER
 SCHEDULE 86 (Continued)**

MONTHLY RATES

DISTRIBUTION CHARGES

(I)

Demand Charge (kW)

Firm Standby Power	
First Block kilowatts (0 to 100)	\$0.264 per kilowatt
Second Block kilowatts (Over 100)	\$0.222 per kilowatt
Interruptible Standby Power	
First Block kilowatts (0 to 100)	\$0.254 per kilowatt
Second Block kilowatts (Over 100)	\$0.212 per kilowatt
Maintenance Power	
All kilowatts.....	\$0.212 per kilowatt

Voltage discount (kW)

1,000 to 15,000 volts.....	\$0.20 per kilowatt
Over 15,000 volts.....	\$0.40 per kilowatt

Reactive kilovolt-ampere charge

This charge shall apply to an individual connection with a total fifteen-minute kilowatt demand over 300 kilowatts. Prices listed above per reactive kilovolt-ampere of Customer's Reactive Kilovolt-Ampere Demand in excess of 35% of Customer's Power Billing Demand.

Billing reactive kilovolt-amperes.....	\$0.40 per reactive kilovolt-ampere
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Energy Charge (kWh)

All kilowatt-hours	\$0.00116 per kilowatt-hour
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TRANSMISSION CHARGES

(I)

Demand Charge (kW)

Firm Standby Power	
First Block kilowatts (0 to 100)	\$0.069 per kilowatt
Second Block kilowatts (Over 100)	\$0.052 per kilowatt
Interruptible Standby Power	
First Block kilowatts (0 to 100)	\$0.065 per kilowatt
Second Block kilowatts (Over 100)	\$0.048 per kilowatt
Maintenance Power	
All kilowatts.....	\$0.048 per kilowatt
Ancillary Services:	
Scheduling, System Control & Dispatch.....	\$0.000 per kilowatt
Energy Imbalance	\$0.000 per kilowatt
Reactive & Voltage Control	\$0.005 per kilowatt
Regulation & Frequency Response.....	\$0.005 per kilowatt
Spinning Reserve	\$0.013 per kilowatt
Supplemental Reserve	\$0.012 per kilowatt

(I) Indicates Increase

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**ALTERNATIVE GENERATION RIDER
 SCHEDULE 86 (Continued)**

Energy Charge (kWh)

All kilowatt-hours \$0.00046 per kilowatt-hour

The transmission charge is 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.

INTANGIBLE TRANSITION CHARGES (ITC/ITC-2)

Demand Charge (kW)

Firm Standby Power

First Block kilowatts (0 to 100) \$0.012 per kilowatt (D)
 Second Block kilowatts (Over 100) \$0.010 per kilowatt (D)

Interruptible Standby Power

First Block kilowatts (0 to 100) \$0.011 per kilowatt (D)
 Second Block kilowatts (Over 100) \$0.010 per kilowatt (D)

Maintenance Power

All kilowatts \$0.010 per kilowatt (D)

Energy Charge (kWh)

All kilowatt-hours \$0.00017 per kilowatt-hour (D)

(D) Indicates Decrease

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**ALTERNATIVE GENERATION RIDER
 SCHEDULE 86 (Continued)**

GENERATION CHARGE

Demand Charge (kW)

Firm Standby Power		
First Block kilowatts (0 to 100)	\$7.491 per kilowatt	(I)
Second Block kilowatts (Over 100)	\$6.355 per kilowatt	(I)
Interruptible Standby Power		
First Block kilowatts (0 to 100)	\$7.048 per kilowatt	(I)
Second Block kilowatts (Over 100)	\$5.953 per kilowatt	(I)
Maintenance Power		
All kilowatts.....	\$5.954 per kilowatt	(I)

Energy Charge (kWh)

All kilowatt-hours	\$0.03289 per kilowatt-hour	(I)
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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.

Compensating for Transmission and Distribution Losses.

For service at less than 1,000 volts, 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 West Penn system. For service between 1,000 and 15,000 volts, the multipliers are 1.07447 and 1.04325, for service between 15,000 and 100,000 volts, the multipliers are 1.05091 and 1.04128 and for service at greater than 100,000 volts, the multipliers are 1.02354 and 1.01879 respectively.

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.

(I) Indicates Increase

WEST PENN POWER COMPANY

**ALTERNATIVE GENERATION RIDER
SCHEDULE 86 (Continued)**

DETERMINATION OF CUSTOMER'S DEMANDS

("Normal alternative generation" as used below is defined above in Types of Supply)

Customer's Power Demands

As a preliminary step to the determination of Customer's Billing Demands, the Customer's Power Demands shall be determined as specified below:

- (1) Customer's Supplementary Power Demand shall be determined as specified below for the billing period unless the applicable standard rate schedule requires that the determinations specified below be made using other periods. Any instantaneous operating peak provision of the applicable standard rate schedule shall be included. If the applicable standard rate schedule has a demand charge based on kilovolt-amperes, the determinations specified below shall be performed based on kilovolt-ampere demands instead of kilowatt demands.

The demand for each period shall be the highest of:

- A) The maximum fifteen-minute kilowatt demand created during the intervals in the period when no Maintenance Power or Standby Power is used, or if no such intervals exist in the period, the lessor of:
 - (i) the Supplementary Power Demand of the previous period, or
 - (ii) the maximum fifteen-minute kilowatt demand created during the period; or
 - B) The maximum fifteen-minute kilowatt demand created during the period less the normal alternative generation for the billing period; or
 - C) The maximum by which a fifteen-minute kilowatt demand created during the period exceeds the sum of the then-effective Maintenance Power Agreement Capacity and the Standby Power Agreement Capacity being utilized.
- (2) Customer's Maintenance Power Demand shall be the maximum Maintenance Power Agreement Capacity for the billing period, regardless of whether it is for Firm or Interruptible Maintenance Power.

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**ALTERNATIVE GENERATION RIDER
SCHEDULE 86 (Continued)**

- (3) Customer's Standby Power Demand shall be either:
- A) The lesser of:
 - (i) The Standby Power Agreement Capacity, or
 - (ii) The maximum by which a fifteen-minute kilowatt demand created during such intervals of the billing period when Standby Power is used exceeds the sum of the then-effective kilowatt portion of the Customer's Supplementary Power Demand and Customer's Maintenance Power Agreement Capacity

or

 - B) For Customers who normally have no supplementary power requirements, the maximum kilowatt demand created during such intervals of the billing period when Standby Power is used.

Customer's Power Billing Demands

- (1) Customer's Supplementary Power Billing Demand shall be the higher of:
 - A) The Customer's Supplementary Power Demand (if multiple Supplementary Power Demands are required due to the applicable standard rate schedule, they shall be combined as specified by that rate schedule), or
 - B) Any minimum demand provisions of the applicable standard rate schedule.
- (2) Customer's Maintenance Power Billing Demand shall be the Customer's Maintenance Power Demand.
- (3) Customer's Standby Power Billing Demand shall be the higher of:
 - A) The Customer's Standby Power Demand, or
 - B) 70% of the Standby Power Agreement Capacity.

Customer's Reactive Kilovolt-Ampere Demands

The Customer's maximum fifteen-minute leading or lagging kilovolt-ampere demand shall be apportioned among the various types of service utilized under this Rider in proportion to the Customer's kilowatt portion of Supplementary Power Demand, Maintenance Power Demand, and Standby Power Demand.

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WEST PENN POWER COMPANY

**ALTERNATIVE GENERATION RIDER
SCHEDULE 86 (Concluded)**

DETERMINATION OF CUSTOMER'S ENERGY USE

- (1) Customer's Supplementary Energy Use shall be the lesser of:
 - A) The Customer's average fifteen-minute kilowatt demand during those portions of the billing period when no Maintenance Power or Standby Power is used, or the kilowatt portion of the Customer's Supplementary Power Demand if no fifteen-minute intervals without the use of Maintenance or Standby Power exist in the billing period, multiplied by one-fourth of the number of fifteen-minute intervals in the billing period, or
 - B) The Customer's total kilowatt-hour use.
- (2) Customer's Maintenance Energy Use and Standby Energy Use shall be determined by apportioning the Customer's total kilowatt-hour use less the Customer's Supplementary Energy Use in proportion to the products of the power demands and the number of hours that the Maintenance or Standby Power is used.

FACILITIES

Any facilities that are installed by the Company solely to provide Standby Power or Maintenance Power service and which have not been included in the Customer's interconnection costs are installed at the Customer's expense. The Customer is responsible for the total cost of construction plus a monthly maintenance charge for those facilities.

DATA

The Customer shall furnish such detailed load data and data on outages as the Company shall, from time to time, require, together with such supporting documentation as the Company shall request, in order for the Company to collect data and prepare reports as may be required.

TERM

Not less than one year.