

WEST PENN POWER COMPANY

TARIFF

Rate Schedules and Rules and Regulations

FOR

ELECTRIC SERVICE

IN

The Territory as Defined on
Pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 of this Tariff

Issued: December 21, 2011

Effective: January 1, 2012

Charles E. Jones

President

Cabin Hill

Greensburg, PA

NOTICE

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Smart Meter Technologies Surcharge – Third Revised Page No. 5-6 -
Increase in the Smart Meter Technologies Surcharge rate.

TABLE OF CONTENTS

| | Paragraph | Page No. |
|---|--|---|
| Title Page..... | | |
| List of Modifications Made by this Supplement..... | | 1-1 |
| Territory to Which Tariff Applies..... | 3-1 3-2 3-3 3-4 3-5 3-6 3-7 | |
| Rules and Regulations | | |
| Definitions | 4-1 ⁷ 4-2 ⁵ 4-3 ⁵ | 4-3A |
| Service Availability | | |
| Character of Electric Service | 1 | 4-4 |
| Type of Distribution..... | 2 | 4-4 |
| Customer's Installation | | |
| Safety..... | 3 | 4-4 |
| Liability..... | 4 | 4-5 |
| Use of Equipment | 5 | 4-5 |
| Capacity..... | 6 | 4-5 |
| Application for Residential Service | | |
| Application | 7R | 4-6 ³ |
| Establishing and Maintaining Credit | 8R | 4-6 ³ 4-7 ³ 4-8 ³ |
| Application for Nonresidential Service | | |
| Application | 7N | 4-8 ³ |
| Establishing and Maintaining Credit | 8N | 4-8 ³ 4-9 |
| Selection of Rate Schedule | 9 | 4-9 |
| Company's Facilities on Customer Premises | | |
| Right of Way | 10 | 4-9 |
| Access to Customer's Premises | 11 | 4-9 |
| Maintenance and Removal | 12 | 4-9 |
| Damage and Loss | 13 | 4-10 |
| Connection | 14 | 4-10 |
| Tampering..... | 15 | 4-10 |
| Relocation of Facilities | | |
| Customer's Facilities | 16 | 4-10 |
| Company's Facilities..... | 17 | 4-11 |
| Supply of Service | | |
| Continuity of Service..... | 18 | 4-11 4-12 ² |
| Metering..... | 19 | 4-12 ² 4-13 ³ |
| Customer's Use of Service | | |
| Restrictions on Use of Residential Service..... | 20R | 4-14 |
| Restrictions on Use of Nonresidential Service..... | 20N | 4-14 |
| Auxiliary Power Sources and Readiness to Serve..... | 21 | 4-14 4-15 |
| Payment for Service | | |
| Billing | 22 | 4-15 4-16 ⁸ |
| Payment of Bills | 23 | 4-16 ⁸ |
| Billing Adjustments | 24 | 4-16 ⁸ 4-17 ³ |
| Termination, Interruption, and Discontinuance of Residential Service- | | |
| Discontinuance of Service by Residential Customer | | |
| Notice of Discontinuance | 25R | 4-17 ³ |
| Transfer of Agreements..... | 26R | 4-17 ³ |
| Company's Right to Terminate Residential Service | 27R | 4-18 ⁵ 4-19 ³ 4-20 ⁶ |
| | | 4-21 ³ 4-22 |

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

TABLE OF CONTENTS (Continued)

| | Paragraph | Page No. |
|--|-------------|---|
| Discontinuance of Service by Nonresidential Customer | | |
| Notice of Discontinuance..... | 25N | 4-22 |
| Transfer of Agreements..... | 26N | 4-22 |
| Disconnection of Nonresidential Service by Company | | |
| Company's Right to Disconnect Nonresidential Service..... | 27N | 4-22 4-23 |
| Extension of the Company's Facilities | | |
| Single Phase Line Extension Plan..... | 28 | 4-24 4-25 ¹ |
| Polyphase Line Extension Plan..... | 29 | 4-25 ¹ 4-25A 4-25B |
| Underground Electric Service in New Residential Developments..... | 30 | 4-25B 4-26 4-27 4-28 |
| Residential Underground Electric Service Not in a Development..... | 31 | 4-29 |
| Emergency Load Control and Conservation | | |
| Emergency Load Control..... | 32 | 4-30 |
| Emergency Energy Conservation..... | 33 | 4-30 |
| Residential Building Energy Conservation Standards..... | 34 | 4-31 ¹ |
| Taxes and Contract Provisions | | |
| Taxes on Contributions in Aid of Construction (CIAC) and Customer Advances (CAC)..... | 35 | 4-31 ¹ |
| Individualized Contracts..... | 36 | 4-31 ¹ 4-32 |
| Individualized Company Facilities and Services..... | 37 | 4-32 |
| Changing Electric Supplier..... | 38 | 4-32 |
| Payment Processing..... | 39 | 4-33 ³ |
| Code of Conduct..... | 41&42 | 4-34 4-35 ¹ |
| State Tax Indemnification..... | 43 | 4-35 ¹ |
| Tax Surcharge..... | | 5-1 ¹³ |
| Sustainable Energy Surcharge..... | | 5-2 ¹ |
| Consumer Education Charge..... | | 5-3 ⁶ |
| FirstEnergy Merger Credit..... | | 5-4 ⁴ |
| Blank..... | | 5-4A ¹ |
| Blank..... | | 5-5 ² |
| Smart Meter Technologies Surcharge..... | | 5-6 ³ 5-7 ² 5-8 ² |
| Energy Efficiency and Conservation Surcharge..... | | 5-9 ⁵ 5-10 ¹ |
| Energy Cost Adjustment Surcharge..... | | 5-11 |
| Electric Service Rate Schedules | | |
| Domestic Service..... | Schedule 10 | 6-1 ¹⁶ 6-2 ² |
| General Service..... | Schedule 20 | 7-1 ¹⁰ 7-2 ¹⁵ 7-3 ⁴ |
| Church and School Service..... | Schedule 22 | 8-1 ⁹ 8-2 ¹⁵ 8-3 ¹⁶ 8-4 ¹⁶ 8-5 ¹ |
| Athletic Field Lighting Service..... | Schedule 23 | 9-1 ¹⁷ 9-2 ¹⁴ |
| Fair and Carnival Service..... | Schedule 24 | 10-1 ¹⁷ 10-2 ¹⁴ |
| General Power Service..... | Schedule 30 | 11-1 ⁵ 11-2 ¹⁵ 11-3 ¹ 11-4 ² |
| Reserved..... | | 12 |
| Primary Power Service..... | Schedule 40 | 13-1 ³ 13-2 ⁹ 13-3 ¹⁵ 13-4 ¹ |
| Primary Power Service..... | Schedule 41 | 14-1 ³ 14-2 ¹⁶ 14-3 ¹⁴ 14-4 |
| Primary Power Service..... | Schedule 44 | 15-1 ³ 15-2 ¹⁶ 15-3 ¹⁴ 15-4 |
| Primary Power Service..... | Schedule 46 | 16-1 ⁴ 16-2 ⁹ 16-3 ¹⁵ 16-4 ¹ |

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

TABLE OF CONTENTS (Concluded)

| | Page No. |
|---|--|
| Street and Area Lighting Rate Schedules | |
| Street Lighting Service..... | Schedule 51 17-1 ¹⁵ 17-2 ¹ 17-3 17-4 |
| Outdoor Lighting Service..... | Schedule 52 18-1 ¹⁶ 18-2 ¹ |
| Street and Area Lighting..... | Schedule 53 19-1 ¹⁶ 19-2 ³ 19-3 19-4 |
| | 19-5 |
| Street Lighting Service..... | Schedule 54 20-1 ¹⁶ 20-2 20-3 20-4 |
| Area Lighting Service - Underground Distribution..... | Schedule 55 21-1 ¹⁶ 21-2 ² 21-3 21-4 |
| Street Lighting Service - Customer-Owned Equipment..... | Schedule 56 22-1 ⁵ 22-2 ¹⁵ 22-3 ² 22-4 ¹ |
| | 22-5 ¹ |
| Outdoor Lighting - Equipment, Maintenance, and Unmetered Service..... | Schedule 57 . 23-1 ¹⁶ 23-2 ¹⁷ 23-3 ¹⁷ 23-4 ⁴ |
| | 23-5 23-6 ¹ 23-7 23-8 |
| | 23-9 |
| Outdoor Lighting - Maintenance and Unmetered Service..... | Schedule 58 24-1 ¹⁷ 24-2 ¹⁶ 24-3 ³ 24-4 |
| | 24-5 ¹ 24-6 |
| Outdoor Lighting - Equipment and Maintenance Service..... | Schedule 59 25-1 ⁷ 25-2 ⁶ 25-3 ⁶ 25-4 |
| | 25-5 25-6 25-7 25-8 |
| Mercury Vapor Street and Highway Lighting Service..... | Schedule 71 26-1 ¹⁶ 26-2 ¹ 26-3 |
| Other Service and Riders | |
| Cogeneration..... | Schedule 85 27-1 ¹ 27-2 27-3 |
| Alternative Generation Rider..... | Schedule 86 28-1 28-2 ¹ 28-3 28-4 ⁵ |
| | 28-5 ¹⁵ 28-6 ¹⁴ 28-7 28-8 |
| | 28-9 |
| Opportunity Power Rider..... | 29-1 29-2 |
| Curtailement Service Rider..... | 30-1 30-2 |
| Experimental Shoulder-Peak Rider..... | 31-1 |
| Experimental Saturday and Holiday Load Option Rider..... | 32-1 |
| Surge Suppression Service..... | Schedule 90 33-1 ⁶ 33-2 |
| Net Energy Metering Rider..... | 34-1 ⁵ 34-2 ⁴ 34-3 ² |
| Wind Energy Service Rider..... | 35-1 35-2 |
| Hourly-Priced Default Service Rider..... | 36-1 36-2 |
| Transmission Service Charge Rider..... | 37-1 ¹ 37-2 |
| Critical Peak Rebate Rider..... | 38-1 38-2 |
| Critical Peak Pricing Default Service Rider..... | 39-1 39-2 |

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

WEST PENN POWER COMPANY

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY**

ADAMS COUNTY

Borough of Carroll Valley

Townships

Franklin Hamiltonban Liberty

ALLEGHENY COUNTY

Boroughs

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

Townships

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

ARMSTRONG COUNTY

City of Parker

Boroughs

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

Townships

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

Continued on Page No. 3-2

WEST PENN POWER COMPANY

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY (Continued)**

BEDFORD COUNTY

Borough of Hyndman

Townships

| | | | |
|--------------------------------------|---------------------|--------|-------------|
| Cumberland Valley East Providence | Londonderry Mann | Monroe | Southampton |
|--------------------------------------|---------------------|--------|-------------|

BLAIR COUNTY

Townships

| | |
|------|--------|
| Rush | Snyder |
|------|--------|

BUTLER COUNTY

City of Butler

Boroughs

| | | | |
|--|---|---|---|
| Bruin Cherry Valley Chicora East Butler | Eau Claire Fairview Harrisville Karns City | Petrolia Portersville Prospect Saxonburg | Slippery Rock West Liberty West Sunbury |
|--|---|---|---|

Townships

| | | | |
|---|---|---|---|
| Allegheny Brady Buffalo Butler Center Cherry Clay Clearfield | Clinton Concord Connoquenessing Donegal Fairview Franklin Jefferson | Lancaster Marion Mercer Middlesex Muddycreek Oakland Parker | Penn Slippery Rock Summit Venango Washington Winfield Worth |
|---|---|---|---|

CAMERON COUNTY

Boroughs

| | |
|-----------|----------|
| Driftwood | Emporium |
|-----------|----------|

Townships

| | | | |
|-----------------|--------|---------|---------|
| Gibson Grove | Lumber | Portage | Shippen |
|-----------------|--------|---------|---------|

Continued on Page No. 3-3

WEST PENN POWER COMPANY

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY (Continued)**

CENTRE COUNTY

Boroughs

| | | | |
|---------------------------|--------------------|---------------------------|-----------------------------|
| Bellefonte Centre Hall | Howard Millheim | Milesburg Port Matilda | State College Unionville |
|---------------------------|--------------------|---------------------------|-----------------------------|

Townships

| | | | |
|---|---|---|--|
| Benner Boggs College Curtin Ferguson Gregg | Haines Halfmoon Harris Howard Huston Liberty | Marion Miles Patton Penn Potter | Spring Taylor Union Walker Worth |
|---|---|---|--|

CLARION COUNTY

Boroughs

| | | | |
|-----------------------|----------------------------|---------------------|---------------|
| Clarion East Brady | Hawthorne New Bethlehem | Rimersburg Sligo | Strattanville |
|-----------------------|----------------------------|---------------------|---------------|

Townships

| | | | |
|-------------------------------|--------------------------------|--------------------------|-----------------|
| Brady Clarion Limestone | Madison Millcreek Monroe | Perry Piney Porter | Redbank Toby |
|-------------------------------|--------------------------------|--------------------------|-----------------|

CLINTON COUNTY

Borough of Beech Creek

Townships

| | | | |
|---------------------------------|--------------------|------------------------|-----------------------|
| Beech Creek Chapman Leidy | Gallager Grugan | Porter East Keating | West Keating Lamar |
|---------------------------------|--------------------|------------------------|-----------------------|

ELK COUNTY

Boroughs

| | | |
|-------------|---------|-----------|
| Johnsonburg | Ridgway | St. Marys |
|-------------|---------|-----------|

Townships

| | | | |
|------------------------|-----------------|---------------|------------------|
| Benezette Benzinger | Fox Highland | Horton Jay | Jones Ridgway |
|------------------------|-----------------|---------------|------------------|

Continued on Page No. 3-4

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY (Continued)**

FAYETTE COUNTY

Cities

Connellsville Uniontown

Boroughs

| | | | |
|--------------|--------------|-------------|---------------------|
| Belle Vernon | Everson | Masontown | Point Marion |
| Brownsville | Fairchance | Newell | Smithfield |
| Dawson | Fayette City | Ohiopyle | South Connellsville |
| Dunbar | Markleysburg | Perryopolis | Vanderbilt |

Townships

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

FRANKLIN COUNTY

Boroughs

| | | | |
|--------------|-------------|-----------|------------|
| Chambersburg | Mercersburg | Mont Alto | Waynesboro |
| Greencastle | | | |

Townships

| | | | |
|----------|-------------|------------|------------|
| Antrim | Hamilton | Peters | Warren |
| Greene | Letterkenny | Quincy | Washington |
| Guilford | Montgomery | St. Thomas | |

FULTON COUNTY

Boroughs

McConnellsburg Valley High

Townships

| | | | |
|---------|---------------|----------|-------|
| Ayr | Brush Creek | Taylor | Union |
| Belfast | Dublin | Thompson | Wells |
| Bethel | Licking Creek | Todd | |

Continued on Page No. 3-5

WEST PENN POWER COMPANY

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY (Continued)**

GREENE COUNTY

Boroughs

| | | | |
|----------------------------|-------------------------|---------------|------------|
| Carmichaels Clarksville | Greensboro Jefferson | Rices Landing | Waynesburg |
|----------------------------|-------------------------|---------------|------------|

Townships

| | | | |
|---|--|---|--|
| Aleppo Center Cumberland Dunkard Franklin | Freeport Gilmore Gray Greene Jackson | Jefferson Monongahela Morgan Morris Perry | Richhill Springhill Washington Wayne Whitely |
|---|--|---|--|

HUNTINGDON COUNTY

Township of Franklin

INDIANA COUNTY

Borough of Saltsburg

Townships

| | |
|-----------|-----------|
| Armstrong | Conemaugh |
|-----------|-----------|

JEFFERSON COUNTY

Townships

| | |
|--------|----------|
| Clover | Ringgold |
|--------|----------|

LYCOMING COUNTY

Townships

| | | | |
|----------------------|----------|---------|------|
| Brown Cogan House | Cummings | McHenry | Pine |
|----------------------|----------|---------|------|

McKEAN COUNTY

Boroughs

| | |
|------|------------|
| Kane | Mt. Jewett |
|------|------------|

Townships

| | | | |
|--------|---------|----------|---------|
| Hamlin | Norwich | Sergeant | Wetmore |
|--------|---------|----------|---------|

Continued on Page No. 3-6

WEST PENN POWER COMPANY

**TERRITORY TO WHICH WEST PENN POWER COMPANY'S
RATE SCHEDULES AND RULES AND REGULATIONS APPLY (Concluded)**

WESTMORELAND COUNTY

Cities

| | | | |
|------------|---------------|----------|----------------|
| Arnold | Jeannette | Monessen | New Kensington |
| Greensburg | Lower Burrell | | |

Boroughs

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

Townships

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

The Company's Rate Schedules and Rules and Regulations also apply in territory adjacent to the above named localities.

RULES AND REGULATIONS

The following Rules and Regulations govern the supply of service by West Penn Power Company.

DEFINITIONS

Certain words, when used in the Rules and Regulations, Rate Schedules, and Agreements of West Penn Power Company, shall have the following meanings:

“Advanced Metering”: A Customer’s billing meter as defined in 52 Pa. Code Chapter 57, Subchapter O. Advanced Meter Deployment.

“Allegheny Power”: Trade name of West Penn Power Company under Fictitious Names Act.

“Applicant”: A natural person not currently receiving Service who applies for Residential Service, or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested.

“Competitive Energy Supply”: The unbundled energy, capacity and ancillary services provided by an Electric Generation Supplier pursuant to Customer Choice and Competition Act. (C)

“Company Charges”: The sum of fixed and variable distribution charges, and transmission and generation charges if Default Service is taken from Company. (C)

“Customer”: Any person, corporation, municipality, government agency, or other legal entity to whom the Company may furnish either residential or nonresidential service. Also, an end user of electricity. An EGS may act as an agent for an end use Customer upon written authorization to the Company, which authorization may be part of the notice of EGS selection. The agency relationship established between an EGS and an end use Customer does not impair the end use Customer’s rights and continued receipt of important consumer protections contained in the Customer Choice and Competition Act relating to the EDC/Customer relationship.

“Customer Choice and Competition Act”: The Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §2801-2812 and Pennsylvania Public Utility Commission Orders pursuant thereto.

“Company”: West Penn Power Company. West Penn Power Company trades and does business as Allegheny Power.

“Default Service”: The provision of electric generation supply service by the Company to a Customer not receiving service from an Electric Generation Supplier. Default Service will be provided by the Company under the appropriate Rate Schedule in this Tariff. (C)

“Direct Access”: Direct Access shall have the meaning as set forth in the Customer Choice and Competition Act.

“Dwelling”: A house, apartment, or single meter multi-unit structure being supplied with residential service.

“Electric Distribution Company (EDC)”: West Penn Power Company.

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

(C) Indicates Change

Continued on Page No. 4-2

RULES AND REGULATIONS (Continued)

“Electric Generation Supplier (EGS) Tariff”: The Company’s (EGS) Tariff, which governs the contractual arrangements between the Company and EGS’ regarding the supply of the EGS’ loads during the implementation of Direct Access.

“Fixed Distribution Charge”: A charge to recover the distribution costs, which are due to the presence of the Customer on the distribution system, regardless of the energy consumed or capacity required.

“Fixed-Price Option”: Available only during 2011 and consists of Generation Charges that change quarterly for Customers served under Schedule 30 with a Kilowatt Demand greater than or equal to 500 kilowatts and Schedules 40, 41, 44, 46, and 86. Customers must indicate their interest in the Fixed-Priced Option no less than thirty (30) calendar days in advance of the Company’s solicitation to wholesale generation suppliers for the Company’s provision of Default Service during 2011, and Customer’s must elect the Fixed-Price Option for Default Service within thirty (30) calendar days after the Generation Charge is determined for rates effective during 2011. Customers that do not affirmatively elect the Fixed-Priced Option shall receive the Hourly-Priced Option for Default Service. The Fixed-Priced Option is not available to Customers receiving Competitive Energy Supply as of January 1, 2011, or for Customers returning to Default Service during 2011 after receiving Competitive Energy Supply. New Customers connected during 2011 and receiving Service under the Schedules defined herein shall not be eligible to receive the Fixed-Price Option. Except as otherwise provided herein, Customers may not switch between the Fixed-Price Option and the Hourly-Priced Option.

(C)

“Generation Charge”: The Company’s charge for electric generation supply service to Customers receiving Default Service.

(C)

“Hourly-Priced Option”: Generation Charges that change as frequently as hourly, as defined in the Hourly-Priced Default Service Rider, and available for Customers served under Schedule 30 with a Kilowatt Demand greater than or equal to 500 kilowatts and Schedules 40, 41, 44, 46, and 86 that are not eligible to receive the Fixed-Price Option.

(C)

“Month”: The period between two consecutive monthly meter readings taken, as nearly as practicable, on the same date of each calendar month.

“Nonpermanent Customer”: Any person, partnership, corporation, municipality, government agency, or other legal entity to whom the Company may furnish Nonpermanent Service.

“Nonpermanent Service”: Service which is connected for the entire year and where service is provided to a residential dwelling that is not used as a place of primary residence or nonresidential service that is used on a seasonal basis.

“Non-Profit Senior Citizen Center Service”: A separately metered establishment consisting of a facility for the use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided. The Customer of record at this establishment must be an organization recognized by the Internal Revenue Service as non-profit and recognized by the Department of Aging as an operator of a senior citizen center.

(C)

(C) Indicates Change

Continued on Page No. 4-3

RULES AND REGULATIONS (Continued)

"Nonresidential Customer": Any person, partnership, corporation, municipality, government agency, or other legal entity to whom the Company may furnish service other than residential service. (C)

"Nonresidential Service": Any service other than residential service.

"Pennsylvania Gross Receipts Tax": References to the Pennsylvania gross receipts tax or Pennsylvania gross receipts tax rate, or provisions that incorporate the same shall include the Revenue Neutral Reconciliation enacted by the Customer Choice and Competition Act.

"PJM": PJM Interconnection, L.L.C. (C)
(C)

"Residential Customer": Any person, partnership, corporation, municipality, government agency, or other legal entity to whom the Company may furnish residential service.

"Residential Service": Service supplied to a dwelling, including service provided to a commercial establishment if concurrent service is provided to a residential premises attached thereto. Service provided to a hotel or motel shall not be considered residential service.

"Revenue": Revenue or "Annual Revenue" when used with guarantee, guarantee of Revenue, Revenue guarantee or financing means the Revenue derived only from the Variable Distribution Charge or Distribution Charges that vary with billing determinants.

"Service": Any regulated supply of electricity by the Company, or provision to supply electricity, or any work or material furnished, or any obligation performed by the Company under its Rules and Regulations or Rate Schedules. Regulated charges for Service are published in the Rules and Regulations and Rate Schedules of this Tariff, including Distribution, Transmission, and Default Service charges within each Rate Schedule. Charges for Service exclude Rate Schedule Transmission and Generation charges when Customer receives Competitive Energy Supply. (C)

"Service Type 10": Default Service group for Customers served under Schedule 10. (C)

"Service Type 20": Default Service group for Customers served under Schedules 20, 22, 23, 24, 51, 52, 53, 54, 55, 56, 57, 58 and 71. (C)

"Service Type 30": Default Service group for Customers served under Schedule 30 with a Kilowatt Demand less than 500 kilowatts. (C)

"Service Type 40": Default Service group for Customers served under Schedule 30 with a Kilowatt Demand greater than or equal to 500 kilowatts and Schedules 40, 41, 44, 46, and 86.

(C) Indicates Change

Continued on Page No. 4-3A

WEST PENN POWER COMPANY

RULES AND REGULATIONS (Continued)

(C)

"Transmission Charge": 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. The Transmission Charges are included in this tariff for the Customers' information only.

"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, such as the low-income usage reduction program, application of renewable resources and consumer education of defined programs.

"Variable Distribution Charges": Charges to recover the balance of distribution costs, not recovered in the Fixed Distribution Charge, which are stated as variable charges and based on the billing determinants to which they are most closely associated.

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

(C) Indicates Change

Continued on Page No. 4-4

RULES AND REGULATIONS (Continued)

SERVICE AVAILABILITY

1. Character of Electric Service

Depending upon the size, character, and geographic location of the Customer's load, the Company will supply 60-cycle alternating current at single-phase or three-phase and at the following voltages:

RULES AND REGULATIONS--Continued

| <u>Phase</u> | <u>Wires</u> | <u>Voltage</u> |
|--------------|--------------|----------------|
| 1..... | 2..... | 120 |
| 1..... | 3..... | 120/208 |
| 1..... | 3..... | 120/240 |
| 3..... | 4..... | 120/208 |
| 3..... | 4..... | 120/240 |
| 3..... | 4..... | 277/480 |
| 3..... | 3..... | 480 |
| 3..... | 3..... | 2,400 |
| 3..... | 4..... | 4,160 |
| 3..... | 3..... | 7,200 |
| 3..... | 4..... | 12,470 |
| 3..... | 3..... | 25,000 |
| 3..... | 3..... | 34,500 |
| 3..... | 3..... | 46,000 |
| 3..... | 3..... | 69,000 |
| 3..... | 3..... | 138,000 |

Inasmuch as some of the above voltages are available only in certain sections of the territory served by the Company, it is necessary that the Customer consult the Company about the type of service that will be supplied before proceeding with the installation of wiring or the purchase of equipment.

2. Type of Distribution

The Company's standard method of distribution is from overhead lines and all rates are based on this type of distribution.

CUSTOMER'S INSTALLATION

3. Safety

It is necessary for the protection of the Customers that all wiring and equipment be installed and maintained by a capable electrician in a safe manner. Compliance with the requirements of the National Electric Code shall be considered sufficient evidence of safe electrical installation. All wiring and equipment shall be inspected and approved by a duly qualified inspector before service is supplied.

Continued on Page No. 4-5

RULES AND REGULATIONS (Continued)

4. Liability

The Customer, by accepting service from the Company, assumes full responsibility for the safety and adequacy of the wiring and equipment installed by the Customer. The Customer agrees to indemnify and save the Company harmless from any liability which may arise as the result of the use of service supplied to the Customer by the Company if such liability is caused, in whole or in part, by negligence of the Customer and not by the negligence of the Company.

The Company does not guarantee but will endeavor to furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits. The Company shall not be liable for damages or losses which the Customer may sustain caused by or resulting from interruptions in service, variations in service characteristics (including but not limited to high or low voltage, operation of protection or control devices, the single phasing of three-phase service, and phase reversals) or neutral to ground voltage, except such damages and losses which are solely caused by or due to the negligence or willful and wanton misconduct of the Company. Any of the aforementioned conditions occurring as a result of conditions or occurrences beyond the Company's reasonable control or as a result of electric system design common to the electric utility industry or electric system operation practices or conditions common to the electric utility industry shall be conclusively deemed not to result from the negligence or willful and wanton misconduct of the Company.

5. Use of Equipment

The Customer shall not operate any equipment creating a condition which prevents the Company from supplying satisfactory service to him or to other Customers. The Company, therefore, reserves the right to establish standards on the type and use of all the Customer's electrical equipment connected to the Company's lines, especially to prohibit loads of highly fluctuating nature or low power-factor characteristics and to prevent the use of any equipment which causes radio or television interference.

6. Capacity

The Company's existing facilities have a limited capacity; therefore, to assure satisfactory operation of the Customer's facilities and to protect both the Customer's and the Company's facilities against damage, the Company must be advised of any substantial increase in the Customer's installation so that facilities of the proper capacity may be provided. The Customer shall pay for any damage or loss caused to the Company by violation of this provision.

Continued on Page No. 4-6

RULES AND REGULATIONS (Continued)

APPLICATION FOR RESIDENTIAL SERVICE

7R. Application

Each Applicant shall make oral or written application to the Company before beginning to use the Company's service. (C)

8R. Establishing and Maintaining Credit

Credit Standards

I. Credit rating is considered unsatisfactory under any of the following conditions: (C)

A. Applicant previously received Service and was a Customer of the Company and whose Service was terminated for any of the following reasons: (C)

1. Nonpayment of an undisputed delinquent account. (C)

2. Failure to complete payment of a deposit, provide a guarantee or establish credit. (C)

3. Failure to permit access to meters, Service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading. (C)

4. Unauthorized use of the Service delivered on or about the affected Dwelling. (C)

5. Failure to comply with the material terms of a settlement or payment agreement. (C)

6. Fraud or material misrepresentation of identity for the purpose of obtaining Service. (C)

7. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment. (C)

8. Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's delivery system. (C)

B. Applicant or Customer is unable to establish creditworthiness through the use of a credit scoring methodology. (C)

(C) Indicates Change

Continued on Page No. 4-7

RULES AND REGULATIONS (Continued)

- II. Security Deposits - Company, at its option, collects deposits from: (C)
 - A. Applicants and Customers who do not meet established credit standards. (C)
 - B. Seasonal Residential Customer.
 - C. Residential Applicant or Customer as a condition to the reconnection of service. (C)

Company shall issue a receipt for each deposit and shall pay simple interest to the depositor annually on all deposits. Interest paid shall be at the rate of 6% per year. Interest is calculated and applied annually on bill for Company Charges. (C)
- III. A deposit obtained from a Residential Customer or Applicant shall be refunded/applied with accrued Interest for the following reasons: (C)
 - A. Residential Customer has paid bill for Company Charges in full and on time for 12 consecutive months. (C)

(C) Indicates Change

Continued on Page No. 4-8

RULES AND REGULATIONS (Continued)

- B. Company terminates Service or Residential Customer requests disconnection of service. Deposit and accrued interest are applied to the final bill for Company Charges and balance, if any is refunded to the Customer.
 - C. Residential Customer or Applicant has done one of the following: (C)
 - 1. Fulfilled credit requirements. (C)
 - 2. Provided third-party guarantor. (C)
 - D. Company has held the deposit for 24 months. (C)
- (C)

APPLICATION FOR NONRESIDENTIAL SERVICE

7N. Application

Each Nonresidential Customer shall make oral or written application to the Company before beginning to use the Company's service.

8N. Establishing and Maintaining Credit

- (a) If the credit standing of a present or prospective Nonresidential Customer is not satisfactory to the Company, the Nonresidential Customer shall leave, or cause to be left, a deposit with the Company to secure payment of all bills for Company Charges. The amount of such deposit shall be the Company's estimate of the amount of the bills for Company Charges to be supplied by Company in any two consecutive months.
- (b) The Company shall issue a receipt for each deposit, and shall pay to the depositor, annually, simple interest at the rate of 6% per year. A Nonresidential Customer may not transfer his deposit to secure another Customer's account.
- (c) If the total of the Nonresidential Customer's bill for Company Charges in any two consecutive months exceeds the amount of the deposit, the Company may require that the deposit be proportionately increased.
- (d) A bill for Company Charges which is not in dispute must be paid before a termination notice is released, which will occur no sooner than four days after the imposition of the late payment charge, in order to preserve the Nonresidential Customer's credit standing.

If a bill for Company Charges is disputed and payment is withheld on or beyond the date the late payment charge is imposed, and settlement is made in the Nonresidential Customer's favor, it must be paid within 10 days after settlement in order to preserve the Nonresidential Customer's credit. A disputed bill for Company Charges settled in the Company's favor shall be considered "undisputed" for the purpose of this rule.

(C) Indicates Change

Continued on Page No. 4-9

WEST PENN POWER COMPANY

RULES AND REGULATIONS (Continued)

- (e) The Company may apply a deposit to any past-due account for electric service supplied to the Nonresidential Customer.
- (f) If service has been discontinued because of the failure of a Nonresidential Customer to pay a bill for Company Charges, service will not be reestablished for that Customer until the amount owed has been paid in full and a security deposit paid. (C)
- (g) Interest calculated from January 1 will be refunded to Customer, along with Customer's security deposit, at the end of twelve months if all monthly bills for Company Charges have been paid by the due date and if a credit review of Customer's business indicated financial stability. (C)

In the event of disconnection, other than seasonal, the deposit, plus accrued interest to the date of disconnection, will be applied to Customer's final bill for Company Charges and the balance, if any, will be refunded to Customer. (C)
- (h) Returned Checks - If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment, a \$10.00 charge for the returned check will be added to the Customer's account. Each Customer will be allowed a waiver of one returned check charge in a 12 month period.

SELECTION OF RATE SCHEDULE FOR CUSTOMER

9. Selection of Rate Schedule

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 of such change, recommend such other Rate Schedule.

COMPANY'S FACILITIES ON CUSTOMER'S PREMISES

10. Right-of-Way

On premises controlled by the Customer, the Customer shall provide the Company, free of cost, suitable location and housing for Company's facilities necessary for supplying service to the Customer as well as satisfactory right-of-way.

11. Access to Customer's Premises

The Customer shall provide the Company's employees free access to the Customer's premises, at all reasonable hours, for purposes necessary or proper in connection with supplying service. The Company's authorized agents who seek to enter upon the Customer's premises shall be identified by proper credentials furnished by the Company for such purposes.

12. Maintenance and Removal

Facilities provided by the Company are the property of the Company and shall remain its property. The Customer shall permit the Company to inspect, maintain, and remove the Company's facilities, at all reasonable hours.

(C) Indicates Change

Continued on Page No. 4-10

RULES AND REGULATIONS (Continued)

13. Damage and Loss

The Customer shall be held responsible for damage to and loss of the Company's property located on the Customer's premises when such loss or damage is due, in whole or in part, to any act of negligence or willful wrong on the part of the Customer.

14. Connection

(a) The Company will install, at its own expense, the necessary overhead connection from its pole to the Customer's facilities. The connection with the Customer's facilities shall be made at a point nearest to the lines of the Company consistent with safety considerations. All service supplied by the Company is sold and delivered at the point where the Company's facilities are connected to the Customer's facilities.

(b) Whenever a Customer requests the Company to supply service to an establishment in a manner which requires equipment and facilities in addition to those which the Company would normally provide, the Customer shall pay the Company the cost differential between the cost of providing such service and the cost of providing standard overhead service.

(c) Whenever a Customer requests the Company to supply service to an establishment in a manner which requires equipment and facilities in addition to those which the Company would normally provide, the Company may elect to provide the additional equipment and facilities for a monthly facility charge equal to 2.1% of the additional cost. This facility charge will be in addition to and independent of any other provisions of the Rules and Regulations or Rate Schedules.

(d) The Company shall not be required to install more than one meter at an establishment, except as may be required by public safety regulations or as provided in the Rate Schedules. The Company may install more than one meter where required by service conditions.

15. Tampering

Interference with or tampering with the Company's meters, wire, or other facilities, or any act preventing the proper registration of service is prohibited, and the Customer shall pay for all loss or damage caused by his violation of this rule. The Company may discontinue the supply of service in case of such violation, and it may refuse to reconnect service until the Customer has corrected the improper condition and has complied with the usual requirements of the Company to prevent further violation. Furthermore, if incorrect metering is caused by such violation, the Customer shall pay an amount estimated by the Company to cover service not properly metered.

RELOCATION OF FACILITIES

16. Customer's Facilities

The Customer shall pay the cost of relocating his facilities if such relocation is made necessary by a moving of the Company's facilities as required by law or by public improvements.

Continued on Page No. 4-11

RULES AND REGULATIONS (Continued)

17. Company's Facilities

(a) The Customer shall pay the cost of moving the Company's facilities if they are moved at the Customer's request.

(b) When the Company's facilities have to be moved or have been moved in order to end a condition hazardous to life, limb, property or continuity of service which condition was caused by another person or entity, then the costs for moving the facilities shall be paid by that person or entity.

(c) When a residential property owner requests a distribution line pole, with its associated attachments, be removed or relocated, the charges to be billed to that residential property owner shall be based upon the below defined contractor costs, direct labor and direct material costs actually associated with the work or construction involved. This subsection shall not include pole repairs or replacements necessitated by the intentional or negligent conduct of the party.

1. Contractor costs - Amount paid by the Company to a contractor for work performed on a pole removal or relocation. (C)
2. Direct labor costs - Includes pay and expenses of Company employees directly attributable to work performed on pole removals or relocations. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs. (C)
3. Direct materials costs - Includes the purchase price of materials used in performing a pole removal or relocation and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.

SUPPLY OF SERVICE

18. Continuity of Service

The Company will use reasonable diligence in attempting to provide continuous service. The Company shall not be liable for any loss, cost, damage, or expense to any Customer caused by any failure to supply electricity according to the terms of a contract, or by any interruption of the supply of electricity, reversal of the service, variation in voltage or by any other failure, when such failures are due to acts of God, public enemies, accidents, strikes, riots, wars, extraordinary repairs, operating necessities, orders of Court or other Governmental authority, or to any other acts or conditions reasonably beyond the control of the Company.

In the event of an emergency threatening the integrity of its system, the Company may without liability interrupt, curtail, or suspend service to any or all of its Customers.

Additional Limitations on Liability in Connection with Direct Access. Other than its duty to deliver electric energy and capacity, the Company shall have no duty or liability to a Customer receiving Competitive Energy Supply arising out of or related to a contract or other relationship between such a Customer and an EGS. (N)

The Company shall implement Customer selection of an EGS consistent with applicable rules of the Commission and shall have no liability to a Customer receiving Competitive Energy Supply arising out of or related to switching EGSs, unless the Company is negligent in switching or failing to switch a Customer. (N)

(C) Indicates Change
(N) Indicates New

Continued on Page No. 4-12

RULES AND REGULATIONS (Continued)

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

In all other circumstances, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to computers and other electronic equipment and appliances, loss of business, or loss of production caused by any interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity shall in no event, exceed an amount in liquidated damages equivalent to the greater of \$500 or two times the charge to the customer for the service affected during the period in which such interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity occurs. In addition no charge will be made to the customer for the affected service during the period in which such interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity occurs. A variety of protective devices and alternate power supplies that may prevent or limit such damage are available for purchase by the customer from third parties.

19. Metering

a. The Company shall provide all meters and metering equipment necessary to obtain the information required to bill its Customers. The Company may select and use any type of meters and metering equipment, provided it meets the accuracy requirements of the Public Utility Commission, except as provided in paragraph c. below.

b. At the Company's sole discretion, the kilowatt-hours and billing demands required for billing purposes may be determined by computations or by measurement in the case of installations having a fixed load or demand value controlled to operate for a definite number of hours in a billing period.

(R) c. An advanced meter may be installed, maintained, and removed according to provisions in Appendix C of the Joint Petition for Full Settlement of West Penn Power Company's Restructuring Plan and Related Court Proceedings at Docket No. R-00973981.

An advanced meter is defined as a meter (1) capable of storing electric consumption data at specified time intervals of no greater than one-half hour and in conformance with applicable performance specifications, and (2) capable of remote meter reading.

(R) Indicates Revision

Continued on Page No. 4-13

RULES AND REGULATIONS (Continued)

The following list of advanced meters have received approval from the PA Public Utility Commission (“Commission”) for conformance with the Advanced Meter Standards Report and Reference Manual provisions, which dictate applicable performance standards, requirements and specifications.

ADVANCED METER CATALOG

| ITEM NO. | NAME | MANUFACTURER | MODEL NUMBER | ADVANCED CAPABILITIES | | | | | | | | | | CUSTOMER CLASS | | |
|----------|----------------------|--------------|--------------|-----------------------|----------------------|--------------|---------------------|----------------|------------------|---------------------|---------------|----------|-------------------|----------------|------------|------------|
| | | | | LOAD PROFILE | REMOTE COMMUNICATION | PULSE OUTPUT | PASSWORD PROTECTION | BI-DIRECTIONAL | MULTIPLE CALLOUT | OUTAGE NOTIFICATION | POWER QUALITY | REACTIVE | LOSS COMPENSATION | RESIDENTIAL | COMMERCIAL | INDUSTRIAL |
| 1 | Fulcrum | Schlumberger | SMxxxx | X | X | X | X | | | | | X | | | X | X |
| 2 | Vectron | Schlumberger | SVxxx | X | X | X | X | | | | | X | | | X | X |
| 3 | Quantum | Schlumberger | ST-Q111 | X | X | X | X | X | | | | X | X | | X | X |
| 4 | Centron | Schlumberger | C1x | X | X | X | X | | | | | | | X | X | |
| 5 | Solid State Recorder | Datastar | DS-101 | X | X | X | X | | | | | | | | X | X |

GENERAL COMMENTS

1. Additional charges for services related to advanced capabilities may be charged to customers as appropriate.
2. Advanced Metering inquiries should be made by dialing 1-800-Allegheny.

An EGS providing advanced metering services may arrange for the installation of an advanced meter and removal of the existing meter. An EGS providing advanced metering services who wishes to replace the Allegheny Power meter must give notice to Allegheny Power at least four business days prior to the date it proposes to change the meter. An advanced meter cannot be installed within four business days prior to the Customer’s regularly scheduled meter reading date or one business day after the Customer’s regularly scheduled meter reading date.

An EGS installing an advanced meter must comply with all applicable Commission standards and Allegheny Power electric service requirements manuals. Testing and calibration of meters must meet all applicable Commission standards and Allegheny Power’s testing requirements for advanced metering.

Allegheny Power will not require removal of an advanced meter that meets Allegheny Power’s required specifications as a condition of a customer’s return to Default Service.

(C)

Should any advanced meter become defective or fail to register correctly, the use of electricity shall be determined by a test of the advanced meter, or by the registration of an advanced meter set in its place during the period next following, or by averaging the amount registered for the preceding billing period and the amount registered during not less than one week immediately subsequent to the repairs to, or change of, the meter, taking into consideration the character of use by the Customer.

(C) Indicates Change

Continued on Page No. 4-14

RULES AND REGULATIONS (Continued)

CUSTOMER'S USE OF SERVICE

2OR. Restrictions on Use of Residential Service

Residential service to each dwelling unit used for permanent occupancy at a fixed location shall be separately metered.

Such service shall not be resold, submetered, or charged to another party by the Customer unless provided for in the Company's Rate Schedules.

This rule does not apply to service used prior to August 30, 1979.

2ON. Restrictions on Use of Non-Residential Service

Service will be furnished for use only by Customer and only within premises described in the electric service agreement.

Upon application and affidavit and proof presented to the company and satisfactory to the Commission, any owner or his representative of a new multi-tenancy commercial or office building may seek an exemption to tariff Rule 20N by demonstrating that the installation of individual electric meters at each separate unit within the building will not achieve a significant reduction in consumption of electricity by the tenants of the building. New and existing nursing homes with life care (medical) facilities and common provision for dining, laundry, and similar services will be considered to have met the above requirement upon filing the above affidavit and may then be prospectively classified non-residential in their entirety.

Such service shall not be resold, submetered, or charged to another party by the Customer unless provided for in the Company's Rate Schedules.

This rule does not apply to service used prior to September 25, 1981.

21. 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.

Continued on Page No. 4-15

RULES AND REGULATIONS—Continued

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.

PAYMENT FOR SERVICE

22. Billing

(a) Bills for regular service will be rendered at regular intervals of one or two months. For Residential Customers, bills for regular service will be rendered on a billing month basis in accordance with Chapter 56. When meters are read at intervals of more than one month, bills for the initial months of the interval may be estimated either from a like period of similar use or in some other reasonable way. The bill for the final month of the interval will be calculated from the metered use during the interval corrected for the amount of estimated use previously billed.

Under 52 Pa. Code § 56.222, the Company requested and was granted a waiver from 52 Pa. Code § 56.12 (2) (i through ii) by the Commission. In accordance with this waiver, the Company will only accept Customer-supplied meter readings at the end of each initial month of a meter reading interval longer than one month by telephone or through the Company's internet website. If the Customer-supplied reading is received by the Company during the three days immediately preceding the scheduled read date of such month, the bill 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. (C)

Seasonal accounts such as hunting and fishing camps shall be read a minimum of twice a year.

(b) Residential Customers who request disconnection of seasonally used service will be charged a fee of \$30.00 for reconnection.

(c) Bills for special service or service for short periods only, including charges for connection and disconnection, may be rendered by the Company at any time.

(d) If service is supplied to the Customer before a meter is placed in use or while the metering is defective or if the meter is not read, the Customer shall pay for service on a basis estimated either from a like period of similar use or in some other reasonable way.

(e) Upon failure to make application for the Company's service, the Customer shall be liable for all service supplied since the last meter reading unless satisfactory proof is supplied to Company as to when Customer took service.

(f) Service supplied to each meter shall be billed separately unless otherwise provided for in the Rate Schedules. Customers receiving Competitive Energy Supply from an EGS may aggregate multiple sites or meters for the purpose of energy scheduling and billing of generation charges only if the EGS performs the billing of the Competitive Energy Supply.

(g) Customers with 10 or more separate accounts may request "Summary Billing" of the accounts. Applicability of Summary Billing to accounts is at the sole discretion of Company and may require a deposit or other financial arrangement acceptable to Company to compensate Company for any delays in receipt of revenue for cycle billed accounts.

(C) Indicates Change

Continued on Page No. 4-16

RULES AND REGULATIONS (Continued)

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

(i) Billing Options. The Company will always bill the Customer for the Company's fixed and variable distribution service charges, transmission charges and generation charges (when the Company is providing Default Service). A Customer may request: (1) that its EGS provide a separate bill only for the Competitive Energy Supply; or (2) require its EGS to appoint the Company as the EGS' billing agent. When Company provides billing for the EGS, the Company will bill the Customer not only for the Company's fixed and variable distribution service charges, but also for the Competitive Energy Supply. (C)

(j) Residential and small business Customers are entitled to receive at no charge and at least once a year, historical billing data from whomever reads the meter for billing purposes. The Company will provide this information to Customers qualified to receive it upon request.

23. Payment of Bills

(a) Late payment charges will be applied as provided in Rate Schedules under which service is supplied if all previous bills have not been paid. If bills are paid by mail, the date of the postmark will be considered the date of payment. The period will not be extended because of the Customer's failure to receive a bill unless said failure is due to an act of the Company.

(b) The payment period shall be 30 days for bills rendered to The Commonwealth of Pennsylvania or any department or any institution thereof, and The United States of America or any department or any institution thereof.

(c) At the option of a Residential Customer receiving service under Rate Schedule 10 and not in arrears for payment of service, Residential Customer may request billing based upon one-twelfth of the Residential Customer's Company charges for the latest twelve months actual usage. Any difference between the average payments and the actual Company charges for the twelve-month average payment period will be amortized over the next twelve-month period. A late payment charge of 1.25% per month will be added to average payment bill not paid by the due date.

(d) When the due date for residential service occurs from the 21st day of the month through the fifth day of the following month, the due date may be extended upon request to the sixth day of that month for Customers receiving Social Security or Federal Government Pension benefits on or about the first of the month.

(e) A "Current Billing Plus Plan" or "Budget Billing Plus Plan" is available to Residential Customers in arrears for payment of service. Bills will be rendered with an amortization of the arrearage. A late payment charge of 1.25% per month will be added to a Current Billing Plus or Budget Billing Plus bill not paid by the due date.

(f) Late payment charges will be frozen upon receipt of notice that Customer is eligible for LIHEAP funds and these late payment charges will not be increased for the remainder of the LIHEAP program year.

(g) Returned Checks - If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment, a \$10.00 charge for the returned check will be added to the Customer's account. Each Customer will be allowed a waiver of one returned check charge in a 12-month period.

24. Billing Adjustments

(a) In case of overpayment or underpayment of any Company Charges, there shall be a proper and prompt adjustment between the Company and the Customer.

(C) Indicates Change

Continued on Page No. 4-17

RULES AND REGULATIONS (Continued)

(b) If the Company is prevented from supplying or if the Customer is prevented from receiving any considerable portion of the service required, and if such failure to supply or receive be due to unusual circumstances beyond the control of either the Company or the Customer such as acts of God, public enemies, war, or orders of Court, then a prompt billing adjustment in the Customer's favor shall be made upon written request.

TERMINATION, INTERRUPTION, AND DISCONTINUANCE OF RESIDENTIAL SERVICE

DISCONTINUANCE OF SERVICE BY RESIDENTIAL CUSTOMER

25R. Notice of Discontinuance

Company will discontinue service without prior written notice when Residential Customer requests discontinuance at his residence provided that the Residential Customer and members of household are only occupants.

Company will discontinue service at dwelling other than Residential Customer's residence when the Residential Customer states in writing that the premises is unoccupied and that such information may be relied upon by the Pennsylvania Public Utility Commission in administering System of Uniform Service Standards for Public Utilities and that false statements are punishable criminally, or occupant(s) affected by the proposed discontinuance inform the Company orally or in writing of their consent.

Company will not terminate service to single or multi-unit dwelling or any premises which is not the Residential Customer's residence unless, at least 10 days prior to proposed termination, Company conspicuously posts required notices stating conditions to avoid termination.

This section does not apply when the Customer is a landlord. For landlord Customer discontinuance requests, refer to 66 Pa.C.S.A. Section 1523 (b).

(C)

Third Party Notification

Each new and existing Residential Customer is encouraged to designate a consenting individual or agency to receive a copy of Service Termination Notice in which Company shall advise third party of pending action and efforts which must be taken to avoid termination. Company will also periodically solicit community groups and police to accept third party notices in order to prevent unnecessary terminations and to protect public health and safety.

26R. Transfer of Agreements

Agreements between Residential Customers and the Company are transferable only with the Company's written consent.

(C) Indicates Change

Continued on Page No. 4-18

RULES AND REGULATIONS (Continued)

27R. Company's Right to Terminate Residential Service

I. Conditions for Which Termination of Residential Service is Authorized after Notice

- A. Nonpayment of undisputed, past-due Company charges for service and energy and capacity. (C)
- B. Failure to comply with one of the following:
 - 1. Pay security deposit
 - 2. Provide third-party guarantor
 - 3. Establish credit in accordance with Company's credit standards.
- C. Refusing without reason to give Company personnel access to meters, service connections, and other Company property for purpose of replacement, maintenance, repair, or meter reading.
- D. Failure to comply with amortization or settlement agreement.

II. Conditions for which Termination of Residential Service is not Authorized.

- A. Nonpayment for concurrent service of the same class received at a separate metering point.
- B. Nonpayment for a different class of service received at same or different location; however, service may be terminated when a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.
- C. Nonpayment for nonrecurring charges for services that are nonessential to delivery or metering of services.
- D. Nonpayment of past-due bills of previous Residential Customer at same address.

(C) Indicates Change

Continued on Page No. 4-19

RULES AND REGULATIONS (Continued)

- E. Nonpayment of security deposit based on delinquent account resulting from "makeup" bill. (C)
- "Makeup" bill is bill for previously unbilled consumption which exceeds Customer's normal bill by 50% and at least \$50.00 and results from:
1. Company billing error; or
 2. Stopped, broken, or inaccurate meter; or
 3. Four or more consecutively estimated bills.
- F. Failure to comply with amortization agreement prior to due date of bill which forms basis for agreement.
- G. Nonpayment of charges for utility service furnished more than 4 years prior to the date the bill is rendered.
- H. Nonpayment for Residential Service furnished in another person's name other than Residential Customer unless it is legally proven that the Residential Customer is responsible for service furnished previously.
- I. Nonpayment of estimated billings unless estimation was required because Company personnel did not have access to meter on two occasions and reasonable effort was made to schedule reading at time convenient for Residential Customer or Occupant.
- J. Nonpayment of past-due accounts which:
1. Accrued over two or more billing periods; and
 2. Remain unpaid in whole or in part for six months or less; and
 3. Total less than \$25.
 4. Currently hold a deposit which is within \$25 of account balance.
- K. In cases where Occupant of dwelling is ill or affected with medical condition which will be aggravated if service is terminated and Company is in receipt of Medical Emergency Certificate provided by physician. Company may petition Pennsylvania Public Utility Commission for waiver if medical certificate is invalid and/or Customer fails to arrange to make payments on bill.
- L. Bills in dispute when Customer has contacted Company and/or Pennsylvania Public Utility Commission prior to the day the Company arrives to terminate Service. (C)
- M. Nonpayment of EGS charges.
- III. Conditions for which Termination of Service Without Prior Notice is Authorized (C)
- A. Safety of any person is endangered.
 - B. Integrity of Company's energy delivery system is endangered.
 - C. Unauthorized use of the Service on or about the affected Dwelling. (C)
 - D. Unauthorized interference or diversion of electric Service. (C)
 - E. Fraud or material misrepresentation of identity for purpose of obtaining electric Service. (C)
 - F. Tampering with meters and/or other Company facilities. (C)

(C) Indicates Change

Continued on Page No. 4-20

RULES AND REGULATIONS (Continued)

IV. Termination of Service After Prior Notice

Company will terminate service as authorized under Rule 27R-I. after issuing a written notice to the Customer at least 10 days prior to actual termination and personally contacting Customer or responsible adult occupant at least 3 days prior to actual termination. Personal contact shall mean contacting the Customer, in person or by telephone, where phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 7 A.M. and 9 P.M. if the calls were made at various times each day.

During the calendar months of January, February, March and December, if personal contact cannot be made at the residence, Company will post Termination Notice at residence and affected Dwelling advising service will be discontinued in 48 hours from time and date of posting.

After required notice and prior to actual termination, Customer or occupant may contact Company and Company will fully explain:

A. Reasons for proposed termination.

B. Methods for avoiding termination by:

1. Making payment in full or otherwise eliminate grounds for termination.
2. Entering into settlement or amortization agreement.

C. Medical emergency procedures.

If settlement or payment arrangement not reached, Company will further explain:

D. Right to file dispute with Company and thereafter, informal complaint with Pennsylvania Public Utility Commission.

E. Procedures for resolving disputes and informal complaints.

F. Residential Customer's duty to pay any portion of Company charges for transmission, distribution, and energy and capacity not in dispute.

(C)

At time of actual disconnection, Company will conspicuously post or deliver to responsible person at Residential Customer's residence and affected premises a notice or written statement containing address and telephone number of Company office where Residential Customer or Occupant may arrange to have service restored as well as "Medical Emergency Notice."

V. Days Termination is Prohibited

Termination is prohibited on Company holidays, Pennsylvania Public Utility Commission and bank holidays; day before those holidays, and Saturdays, and Sundays.

(C) Indicates Change

Continued on Page No. 4-21

RULES AND REGULATIONS (Continued)

VI. Restoration of Residential Service

Company will reconnect service within three calendar days, or within 24 hours during the months of January, February, March and December, after receiving one of the following: (C)

- A. Payment of outstanding Company Charges pursuant to 66 Pa. C.S. §1407, initial installment of a security deposit and a reconnection fee as prescribed in Rule 27R VII. (C)
(C)
- B. Adequate assurance that any unauthorized use or practice will cease, plus full payment of reconnection fee. (C)
- C. Compliance or adequate assurance of compliance with any applicable provisions for establishing credit, posting of deposits, or guarantees. (C)

Company will reconnect service within 24 hours for erroneous terminations or upon receipt of a valid medical certificate.

VII. Reconnection Charge

When electric Service has been Terminated by the Company for nonpayment, fraud, theft of Service, etc., of any Residential Customer, the Residential Customer will be required to pay all outstanding Company Charges as prescribed in Rule 27R.VI plus a reconnection charge as specified below and an initial installment of security deposit before service is reconnected. (C)
(C)
(C)
(C)

The reconnection charges will be:

- A. \$30.00 for reconnection made during regular working hours.
- B. \$45.00 for reconnection made after regular working hours.
- C. \$90.00 for reconnection made on Saturday, Sunday or Company observed holiday.

Interruption of Service

Company may temporarily interrupt service where necessary to make repairs or maintenance, eliminate an imminent threat to life, health, safety, or substantial property damage, or for reason of local, state, or national emergency.

I. Interruption with Prior Notice

When Company knows in advance of circumstances requiring interruption, prior notice of cause and expected duration will be given those affected.

(C) Indicates Change

Continued on Page No. 4-22

RULES AND REGULATIONS (Continued)

II. Interruption without Prior Notice

Where service must be interrupted due to unforeseen circumstances, Company will notify those affected as soon as practical, as to cause and expected duration.

Notice will be by personal contact, phone contact, and/or mass media.

Service will be interrupted for only such periods of time necessary to protect health and safety of public, to protect property, or to remedy situation which necessitated interruption. Service will be resumed as soon as possible.

DISCONTINUANCE OF SERVICE BY NONRESIDENTIAL CUSTOMER

25N. Notice of Discontinuance

Upon the Nonresidential Customer's discontinuance of service, the Nonresidential Customer shall remain liable for any service supplied to the premises until the Company receives notice of discontinuance; and in all cases, the Nonresidential Customer shall remain responsible for all obligations under his Agreement.

26N. Transfer of Agreements

Agreements between Nonresidential Customers and the Company are transferable only with the Company's written consent.

DISCONNECTION OF NONRESIDENTIAL SERVICE BY COMPANY

27N. Company's Right to Disconnect Nonresidential Service

(a) Disconnection Without Notice

The Company reserves the right to disconnect the supply of Nonresidential Service for any of the following reasons, without notice:

- (1) Emergency repairs, alternations, or operating necessities;
- (2) Shortages or interruptions in the Company's supply of service or other emergencies;
- (3) Defects or hazardous conditions of the Nonresidential Customer's equipment or its detrimental effect on the service to other Customers;
- (4) Fraud or abuse by the Nonresidential Customer;
- (5) Orders of Governmental authority.

(b) Cancellation of Agreement and Disconnection of Nonresidential Service Without Notice

The Company reserves the right to cancel an Agreement and disconnect the supply of Nonresidential Service for any of the following reasons without notice:

- (1) If a writ of execution is issued against the Nonresidential Customer out of any Court of competent jurisdiction whether or not levy or execution is made thereunder;
- (2) If the Nonresidential Customer makes a fraudulent or unauthorized assignment or commits any other act of bankruptcy or if a receiver is appointed for the Customer;

Continued on Page No. 4-23

RULES AND REGULATIONS (Continued)

- (3) If a landlord's warrant is issued against the Nonresidential Customer or the Nonresidential Customer's premises;
- (4) If the Nonresidential Customer's premises are closed under order of Court;
- (5) If the Nonresidential Customer's assets are otherwise seized, set aside, impounded, or made unavailable for payment of the Company's charges. (C)

In case of cancellation of Agreement by the Company, all Company charges for Nonresidential Service previously supplied and all other obligations shall be immediately due and payable. (C)

(c) Disconnection of Nonresidential Service

The Company reserves the right to disconnect the supply of Nonresidential Service for any of the following reasons after reasonable notice:

- (1) Repairs, alterations, shortages, or extension of Company facilities;
- (2) Failure to pay any Company charges for nonresidential service within four days after the imposition of the Late Payment charge; (C)
- (3) Violation of these Rules and Regulations or of any Agreement or noncompliance with any of the provisions of the effective Rate Schedule.

(d) Reconnection Charge for Nonresidential Service

When electric service has been disconnected by the Company for nonpayment of Company charges, fraud, theft of service, etc., of any Nonresidential Customer, the Nonresidential Customer will be required to pay all outstanding Company charges in full or amounts due under a settlement or amortization agreement plus a reconnection charge as specified below before service is reconnected. (C)

When service has been terminated, the Company shall reconnect service by the end of the first full working day following the day on which arrangement for reconnection is made.

The reconnection charges for single meter connection up to 50 kilowatts and 277 volts will be:

- (1) \$30.00 for reconnection made during regular working hours.
- (2) \$45.00 for reconnection made after regular working hours.
- (3) \$90.00 for reconnection made on Saturday, Sunday or company observed holiday.

The reconnection charge for multi-meter connections and connections in excess of 50 kilowatts and 277 volts will be based upon time and material cost but not less than the above charges.

(C) Indicates Change

Continued on Page No. 4-24

RULES AND REGULATIONS (Continued)

EXTENSION OF THE COMPANY'S FACILITIES

28. Single Phase Line Extension Plan (C)

(a) Availability

Single Phase Line Extension Plan (Plan SP) governs extension of all single phase electric service except when extension is from distribution lines over 15,000 volts.

(b) Purpose

Plan SP is designated to protect Company's investment and prevent rate discrimination against Customers who receive no benefit from line extension.

(c) Chargeable Costs

For purpose of Plan SP, Chargeable Costs are based upon contractor costs, direct labor and direct material costs associated with line extension as defined in Rule 17 (c).

(d) Basic Extension Distance (BED)

Line extension provided without financing or guarantee plans not exceeding 1,000 feet; with not more than 400 feet on private property unless there is documented potential for additional Customers.

(e) Rate for Electricity

Customer is billed for electricity on applicable rate schedule, independent of any payment required by Plan SP.

(f) Term

Customers take service under this extension plan for a term of five years for guarantee of revenue.

(g) Conditions

- (1) The company shall not be required to start construction on any extension under Plan SP until:
 - a. Application for service has been signed by the Customer and accepted by the company.
 - b. The Customer has made any advance payment required by this extension plan.
 - c. Necessary rights-of-way have been obtained.
 - d. The Customer agrees to pay any costs relating to the acquisition of necessary rights-of-way or any costs caused by a longer extension to avoid such right-of-way costs.
 - e. The Customer's wiring has been completed and the company has been given assurance of safe installation by a certificate of electrical approval issued by a recognized inspection agency.

(C) Indicates Change

Continued on Page No. 4-25

RULES AND REGULATIONS (Continued)

(h) Revenue Guarantee for Five Years (Monthly Minimum)

Revenue guarantee is required when Customer's estimated annual distribution revenue does not warrant unsecured line extension. If chargeable costs for line extension in excess of basic extension distance exceeds 10 times estimated annual revenue, Revenue guarantee is required.

(i) Total Cost Contribution Plan

In lieu of financing or guarantee plans described herein, Customer is permitted to make outright nonrefundable advance contribution in amount of total cost of construction for facilities in excess of BED. Customer is billed in accordance with applicable rate schedule plus monthly maintenance charge for facilities in excess of BED.

(j) Chargeable Cost Advance

When line extension exceeds BED, Customer advances to Company amount equaling estimated chargeable cost for portion of line exceeding BED.

When more than one Customer is to be served from such a line extension, the chargeable cost shall be divided equally among them for that portion of the line which is shared and Customer will pay the full amount for any portion not shared.

(k) Requirements for Service to Seasonal Customer

(C)

If the Customer to be served is seasonal in nature, the Customer shall pay the amount equaling the estimated chargeable cost for the entire extension, including the BED covered in (j) above. Seasonal service is service to a residential dwelling that is not used as a place of primary residence or a commercial or industrial facility that is not in use year-round.

29. Plan B – Poly-phase Line Extension Plan and Single Phase Line Extensions Not Included in Rule 28

(C)

(a) Definitions

The following words and terms, when used in this rule only, shall have the following meanings, unless the context clearly indicates otherwise:

(1) "Contribution In Aid of Construction (CIAC)": The non-refundable charge the Customer pays for facilities installed to provide Service. Contributions In Aid of Construction are considered taxable income, as defined by the Internal Revenue Service, and will be increased to include payment equal to the applicable taxes.

(2) "Estimated Annual Distribution Revenue (EAR_D)": The estimated amount of revenue derived only from the Distribution Charges that vary with billing determinants.

(3) "Monthly Minimum (MM)": The minimum amount of distribution revenue the Customer must guarantee the Company each Month over a stated period of time.

(4) "Monthly Service": Service supplied month-to-month when the Customer advances the net cost of connection and disconnection under the provisions of the applicable finance plan.

(5) "Total Construction Cost (TCC)": All construction costs associated with providing Service.

(C) Indicates Change

Continued on Page No. 4-25A

RULES AND REGULATIONS (Continued)

(b) General (C)

If the Company is requested to extend or add to its single phase lines over 15,000 volts or its poly-phase line facilities in order to supply electric Service, to supply Service from underground facilities, to reinforce its Service to the Customer, to supply Monthly Service, or to meet other special or unusual conditions, the Company will, after due consideration of the stability of the Customer's business and credit, make such arrangements with the Customer for financing the Company's facilities or Revenue guarantee or a combination of the two, as may be mutually satisfactory; provided, however, that such arrangements are done without preference to or discrimination against this Customer or other Customers. The Company reserves the right to require the Customer to enter into an Electric Service Agreement for such arrangements.

(c) Availability (C)

Provisions of this plan shall apply to single-phase line extensions over 15,000 volts or polyphase extensions installed by the Company to serve permanent Customers.

(d) Rate for Electricity

Customer is billed for electricity on the applicable rate schedule, independent of any payment required under this plan.

(e) Term (C)

Customer takes Service under this plan for a minimum of 5 years under the conditions specified in (f).

(f) Conditions for Service (C)

- (1) The Company will construct and maintain extensions of all poly-phase line extensions to Customers.
- (2) For poly-phase service to a single Customer, a supply line will be extended to the Customer's property line only if a Revenue guarantee is provided by the Customer over a period of five years which is sufficient to recover the Total Construction Cost of the poly-phase line extension, including the material costs for transformers and meter.

Formula: $CIAC = TCC - (5 \times EAR_D)$

In the event that a Revenue guarantee is not sufficient to recover the Total Construction Cost, or if the Company determines that the extension is speculative, or the Customer represents a credit risk, the Company may require an up-front Contribution In Aid of Construction from the Customer to recover the Total Construction Cost.

(C) Indicates Change

Continued on Page No. 4-25B

RULES AND REGULATIONS (Continued)

- (3) The Revenue guarantee will be applied monthly in the form of a usable minimum for a period of 60 Months. This Monthly Minimum (MM) will be calculated using the following formula:

$$MM = 1.67\% \times (TCC - CIAC)$$

- (4) A Customer may choose the option to make a CIAC, rather than utilize a Revenue guarantee. The Company will consider financing alternatives, such as a letter of credit or other payment arrangements, in lieu of CIAC when appropriate.
- (5) The Customer will be responsible for all costs associated with on-property facilities installed for exclusive use of the Customer, excluding the material cost for transformers and meter. The material cost for transformers and meter will be included as part of the Total Construction Cost of the supply line, calculated and used in the above formulas.
- (6) CIAC paid by the Customer, for supply line and on-property, shall be paid in advance of construction and subject to applicable tax gross-up.
- (7) In the event the Customer discontinues or cancels Service before the end of the guarantee period, the balance of the Revenue guarantee amount plus related tax gross-up shall be immediately due payable.
- (8) For industrial or business parks, the developer will pay, in advance, a refundable CIAC equal to the Total Construction Cost for all infrastructure facilities, supply lines, and any other upgrade of existing facilities necessary to serve the park. As individual Customers move into the park, the developer will be refunded, on an annual basis, up to five times the EAR_D for each Customer. Total annual refunds shall not exceed the original CIAC paid by the developer. The refund period shall not exceed five years and will begin on the date installation of all infrastructure facilities have been completed. The Company shall retain any portion of the original CIAC not refunded after five years.
- (9) For underground installations, the developer or Customer provides all necessary underground trenching, backfill, conduit, and any other underground mechanicals (manholes, vaults, etc.) as determined by the Company.
- (10) Customers considered speculative by the Company, shall be required to pay, in advance, the Total Cost of Construction, including the material cost of the transformers and meter, plus applicable tax gross-up. The Company shall stipulate the terms and conditions for refunding, over a specified period of time, as part of the Electric Service Agreement signed by the Customer.

30. Underground Electric Service in New Residential Developments

(a) The following words and terms, when used in this rule only, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Applicant for Electric Service - The developer of a recorded plot plan consisting of five or more lots; or one or more five-unit apartment houses.

(C) Indicates Change

Continued on Page No. 4-26

RULES AND REGULATIONS (Continued)

(2) Developer - The party responsible for constructing and providing improvements in a development, that is, streets, sidewalks, and utility-ready lots.

(3) Development - A planned project which is developed by a developer/applicant for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or apartment houses, all of which are intended for year-around occupancy, if electric service to such lots necessitates extending the Company's existing distribution lines.

(4) Distribution line - An electric supply line of untransformed voltage from which energy is delivered to one or more service lines.

(5) Service line - An electric supply line of transformed voltage from which service is delivered to the residence.

(6) Subdivider - The party responsible for dividing a tract of land into building lots which are not to be sold as utility-ready lots.

(7) Subdivision - A tract of land divided by a subdivider into five 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-around occupancy, if electric service to such lots necessitates extending the Company's existing distribution lines.

(b) All distribution and service lines installed pursuant to an application for electric service within a development shall be installed underground; shall conform to Section 57.26 of the Rules and Regulations of the Pennsylvania Public Utility Commission (relating to wire crossings), 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. Pad-mounted transformers shall be installed as a Company construction standard. Excavating and backfilling shall be performed by the developer of the project or by such other agent as the developer may authorize. Installation of service-related Company facilities shall be performed by the Company or by such other agent as the Company may authorize. Any street-lighting lines installed then or thereafter within the same development shall also be installed underground, upon terms and conditions prescribed elsewhere in the Company's tariff. The Company shall not be liable for injury or damage occasioned by the willful or negligent excavation, breakage, or other interference with its underground lines occasioned by anyone other than its own employees or agents.

Nothing in this section shall prohibit the Company from performing its own excavating and backfilling for greater system design flexibility. However, no charges other than those specified in (c)(4) of this rule shall be permitted.

(c) The applicant for electric service to a development shall conform with the following:

(1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-lighting lines and related facilities.

Continued on Page No. 4-27

RULES AND REGULATIONS (Continued)

(2) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant shall follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, such excavating and backfilling shall be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse electric service until such standards and specifications are met.

(3) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with any other utility sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary costs and delay.

(4) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:

(i) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric service and is acceptable to the Company.

(ii) A change in the plot plan by the applicant for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.

(iii) Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff mandate a charge for overhead service.

(5) No charges other than those described in paragraph (4) of this subsection shall be borne by the applicant for electric service or by any other utility sharing the same trench, even if the electric Company elects to perform its own excavating and backfilling.

(d) Exceptions: Whenever the Company or any affected person, including the applicant for electric service, believes that the application of the tariff rule works an undue hardship, involves a physical impossibility, or is otherwise inappropriate, such Company or person may request the Pennsylvania Public Utility Commission to grant an exception from the undergrounding requirements of (a) through (c) of this rule by providing the Pennsylvania Public Utility Commission with the following:

(1) A copy of the recorded plot plan of the development for which the exception is being sought;

Continued on Page No. 4-28

RULES AND REGULATIONS (Continued)

- (2) A letter petition setting forth;
- (i) the name of the applicant;
 - (ii) the location and size of the development involved;
 - (iii) the names of the Company and telephone utility which will provide service to that development;
 - (iv) the date on which construction began or will begin; whether the development is a new development or one phase in a development to be completed in several phases; and whether facilities in the area surrounding the development have been installed underground or overhead.

(e) Upon the filing of an exception request, Pennsylvania Public Utility Commission Staff will notify the Companies involved and the appropriate local government authority, review the facts stated in the request, and issue to the applicant and the Company an informal written report and decision within 180 days of the request for an exception. Failure of the party requesting an exception to supply sufficient data within the 180 day period shall result in the automatic denial of the request.

(f) The Company or any effected person may appeal the informal decision rendered by the Pennsylvania Public Utility Commission Staff by filing a letter petition with the Secretary of the Pennsylvania Public Utility Commission stating the facts in question and requesting a hearing. All such appeals shall be referred to the Pennsylvania Public Utility Commission Office of Administrative Law Judge for hearing and decision.

(g) If an exception request initiated by an applicant for electric service is granted, and such applicant thereafter desires underground electric service, then (a) and (b) of this rule shall apply as if no exception had been granted.

(h) Applicability: The provisions of this rule shall apply to all applications for service to developments, hereinbefore defined, which are filed after the effective date of the section.

(i) Subdivisions: Underground facilities in new residential developments are only required by (a) through (c) of this rule when a bona fide developer exists, i.e., only when utility-ready lots are provided by the developer. A mere 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 (c) of this rule, or pay to the Company such charges as are contained in Rule 31 (Residential Underground Electric Service not in a Development) for underground electric service not required by this rule.

Continued on Page No. 4-29

RULES AND REGULATIONS (Continued)

31. Residential Underground Electric Service Not in a Development

(a) Whenever a Residential Customer requests the Company to supply underground service not covered by the provisions of the Company's Tariff Rule 30 (Underground Electric Service in New Residential Developments), then the Residential Customer shall pay the Company, in advance, the cost differential between the estimated actual cost of supplying such underground service and the estimated actual cost of providing equivalent overhead service including transformer installed cost differential plus any costs as outlined by Rule 28 or Rule 29. The below defined contractor costs, direct labor and direct material costs shall be used in determining the "estimated actual costs". The "estimated actual costs" shall be based upon company-wide estimates of these elements.

1. Contractor costs - Amount paid by the Company to a contractor for work performed. (C)
2. Direct labor costs - Includes pay and expenses of Company employees directly attributable to work performed. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs. (C)
3. Direct materials costs - Includes the purchase price of materials used and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.

(b) All distribution and service lines and related facilities installed pursuant to this Tariff Rule shall conform to the Company's construction and specification standards and the Public Utility Commission Electric Regulations and shall be owned and maintained by the Company. The installation of facilities exclusive of trenching and backfilling shall be performed by the Company or by such other entity as the Company may authorize; the Residential Customer shall be responsible for providing the trenching and backfilling, subject to inspection and approval by the Company. If the Company's construction and specification standards on file with the Public Utility Commission have not been met by the Residential Customer's trenching and backfilling, such trenching and backfilling shall be corrected, or redone, at the Residential Customer's expense. The Company shall not be liable for injury or damage occasioned by willful or negligent excavation, breakage or other interference with its underground system unless caused by its own employees or agents.

(c) If requested by the Residential Customer, the Residential Customer shall pay any additional cost incurred by the Company for providing underground service that deviates from the Company's established underground practices and standards.

(C) Indicates Change

Continued on Page No. 4-30

RULES AND REGULATIONS (Continued)

EMERGENCY LOAD CONTROL AND CONSERVATION

32. Emergency Load Control (C)

Pursuant to the requirements of 52 Pa. Code §57.52, the following provision is incorporated in this tariff:

(a) A load emergency situation exists whenever (1) the demands for 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 (2) system instability or cascading outages could result from actual or expected transmission overloads or other contingencies, or (3) such conditions exist in the system of another public utility or power pool 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.

(b) In such case, the Company shall take such reasonable steps as the time available permits to bring the demands within the then-available capacity or to 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.

(c) The Company has established procedures for controlling load including schedules of load shedding priorities, may revise such procedures from time to time, and shall revise them if so required by Pennsylvania Public Utility Commission. A copy of such procedures or of the revision thereof currently in effect is available for public inspection at each office at which the Company maintains a copy of its tariff for public inspection, and another such copy is kept on file with Pennsylvania Public Utility Commission.

33. Emergency Energy Conservation (C)

Pursuant to the requirements of 52 Pa. Code Subsection 57.52, the following provision is incorporated in this tariff:

(a) An emergency energy conservation situation exists whenever events result or, in the judgment of the Company, threaten to result in a restriction of the fuel supplies available to the Company or its energy vendors, such that the amount of electric energy which the Company is able to supply is or will be adversely affected. 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 service to one or more of its Customers or classes of Customers in accordance with the Company's procedure for emergency energy conservation.

(b) The Company has established procedures for emergency energy conservation including schedules of load shedding priorities, may revise such procedures from time to time, and shall revise them if so required by Pennsylvania Public Utility Commission. A copy of such procedures or of the revision thereof currently in effect is available for public inspection at each office at which the Company maintains a copy of its tariff for public inspection, and another such copy is kept on file with Pennsylvania Public Utility Commission.

(C) Indicates Change

Continued on Page No. 4-31

RULES AND REGULATIONS (Continued)

34. Residential Building Energy Conservation Standards

Proof of compliance with, or exemption from, the insulation standards in the Building Energy Conservation Act, Pennsylvania Act No. 222 of 1980, as amended (Act No. 222), must be received by the Company prior to furnishing temporary or permanent service to a new or renovated residential building located in a municipality which has not elected to administer Act No. 222.

Proof of compliance shall be made by furnishing the Company with the "Compliance Certification Copy" of the "Notice of Intent to Construct" form issued by the Pennsylvania Department of Community Affairs.

For details refer to Act No. 222, 35 P.S. Subsection 7201.101, and rules and regulations of the Pennsylvania Department of Community Affairs and the Pennsylvania Public Utility Commission.

The Company, upon request, will provide information and required forms for compliance with Act No. 222.

CONTRACT PROVISIONS AND TAXES ON CONTRIBUTIONS

35. Taxes on Contributions in Aid of Construction (CIAC) and Customer Advances (CAC)

Any CIAC, CAC or other like amounts received from the Customer which shall constitute taxable income as defined by the Internal Revenue Service will include a component to pay the state and federal income taxes associated with the CIAC or CAC.

36. Individualized Contracts

The Company at its sole discretion may enter into an individualized contract with a Customer for the purpose of addressing, among other things, the Customer's (a) business needs, (b) changing operating conditions, (c) less expensive competitive alternatives, (d) financial condition as it relates to maintaining solvency or (e) other matters of mutual benefit to Customer and Company. If requested by the Company, the 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 Customer's request for an individualized contract. All costs billed by the agent shall be the responsibility of the Customer.

Terms and conditions of service shall be mutually agreed upon between the Company and the Customer and shall be included in the contract. The contract may be filed with the Pennsylvania Public Utility Commission. The Company at its sole discretion may request Pennsylvania Public Utility Commission approval. The contract shall be confidential and treated as such by all parties. For filed contracts, the effective date of the contract shall be no less than thirty (30) days after the date of filing with the Pennsylvania Public Utility Commission. Rates shall be established on a case by case basis and shall be designed to recover, at minimum, all appropriate incremental administrative, operating and maintenance costs of the service, and a contribution to fixed costs. Unless specified in the contract, special contract discounts shall be allocated pro-rata to the distribution, transmission and generation components of the bill. (C)

The contract shall contain those service terms and conditions and the rates and charges to be paid for service rendered that differ from other provisions of this tariff. Unless altered by the contract, all other provisions of this tariff apply.

(C) Indicates Change

Continued on Page No. 4-32

RULES AND REGULATIONS (Continued)

The Company may require the Customer to provide the Company or its agent with a recent energy audit of the Customer's facilities and a list of all energy conservation and load management activities which have occurred in the past five (5) years along with a list of all ongoing energy conservation and load management activities.

The contract may be terminated immediately by the Company if bills are not paid when due as specified in Tariff Rule No. 27N, before the addition of a late payment charge.

In the event that any contract entered into under this provision is terminated by the Company or Customer under conditions in this tariff or the conditions specified in the contract, the Customer shall subsequently be eligible for service under the standard tariff rate schedule for which the Customer qualifies.

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

The Company, at its option, can limit the aggregate Customers' load that qualifies under this provision.

37. Individualized Company Facilities and Services:

The Company may, at its sole discretion and upon a Customer's request, furnish special, substitute, or additional facilities or services. When the Company provides facilities or services not normally supplied, or when the estimated or actual cost of such individualized, substitute, or additional facilities or services exceeds the estimated costs of the standard facilities or services that normally would be supplied by the Company without special charge, the Company may require special agreements and may establish minimum charges and facilities charges. At a minimum, rates or contract provisions shall be established on a case by case basis and shall be sufficient to recover all appropriate incremental costs of the service and a contribution to fixed costs.

The Company may modify or discontinue the provisions of this rule at any time, subject to any orders of the Pennsylvania Public Utility Commission. Unless otherwise ordered by the Pennsylvania Public Utility Commission, any contracts in effect prior to any such modification or discontinuance of the rule shall remain in effect under the existing term and conditions specified in the contract.

38. Changing Electric Generation Supplier

(N)

Company shall change Customer's Electric Generation Supplier only upon receipt of electronic notification from the chosen Electric Generation Supplier in accordance with the Pa. P.U.C. Rules and Regulations as described in the Final Orders on Standards for Electronic Data Transfer and Exchange Electric Distribution Companies and Electric Generation Suppliers, Docket No. M-00960890F0015 and on Establishing Standards for Changing a Customer's Electric Supplier, Docket No. L-00970121. Company will assign an energy flow start date for Customer's choice of Electric Generation Supplier received after January 15, 1999 to be equal to Customer's first normal meter reading date no sooner than 15 days after the date of processing. Changes in Customer's Electric Generation Supplier shall only be effective with Customer's normal meter reading date, regardless of whether the meter reading is actual or estimated.

(N) Indicates New

Continued on Page No. 4-33

RULES AND REGULATIONS (Continued)

39. Payment Processing

When Customer requests that Company provide billing service for Competitive Energy Supply, Company shall provide such service, indicating the charges for the EGS on Customer's monthly bill. Should payments made in response to said billing be less than the full amount billed, payment will be first credited against Company charges until paid in full. The balance will then be credited to the EGS. This partial payment allocation will comply with the Pa. P.U.C. Rules and Regulations as described in the Final Order on Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2807(D), and assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §2809(E) and (F), Docket No. M-00960890F0011.

(C)

(C) Indicates Change

Continued on Page No. 4-34

WEST PENN POWER COMPANY

RULES AND REGULATIONS (Continued)

41. Interim Code of Conduct

(N)

The Company and its divisional and/or affiliated EGSs ("Company Supplier") shall comply with the Interim Code of Conduct contained in Appendix H of the Joint Petition for Settlement of West Penn Power Company's Restructuring Plan and Related Court Proceedings at Docket No. R-00973981.

The Interim Code of Conduct will become effective immediately upon Approval by the Commission.

(N) Indicates New

Concluded on Page No. 4-35

Issued November 3, 1998

Effective January 1, 1999

RULES AND REGULATIONS (Concluded)

42. GENCO Code of Conduct

In addition to any other Code of Conduct that might apply, the Competitive Safeguards contained in Appendix G of the Joint Petition for Settlement of West Penn Power Company's Restructuring Plan and Related Court Proceedings at Docket No. R-00973981 ("the Settlement") shall apply to transactions by the Company in its Electric Distribution Company Provider of Last Resort ("Company-EDC") role, or by any divisional and/or affiliated EGS ("Company Supplier"), in Pennsylvania from any Company-affiliated entity to the entity ("Company-GENCO") that assets have been transferred pursuant to the Settlement.

43. State Tax Indemnification

(N)

If 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 Company for the amount of additional state tax liability imposed upon 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.

(N) Indicates New