

WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

THE PENNSYLVANIA STATE UNIVERSITY

Issued February 4, 2009

Effective April 1, 2009

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Vice President
Cabin Hill
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LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Consumer Education Charge - First Revised Page No. 5-2 -

Annual update issued in accordance with Final Order entered July 18, 2008 at Docket No. M-2008-2032275

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¹First Revised, ²Second Revised, etc.

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, 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.

"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 distribution charges and transmission and generation charges if Default Service is taken from Company. (C)

"Customer": The Pennsylvania State University. An EGS may act as an agent for the 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 the Customer does not impair the 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 this Tariff. (C)

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

"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.

"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.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

“Fixed-Price Option”: Available only during 2009 and 2010 and consists of Generation Charges that change quarterly. Customers must elect the Fixed-Price Option for Default Service within twenty-four (24) hours from the closing of the request for proposal receipt period for the applicable 12-month or 24-month term. Customers that do not affirmatively elect the Fixed-Priced Option shall receive the Hourly-Priced Option for Default Service. 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 that are not eligible to receive the Fixed-Price Option. (C)

“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. (C)

“PJM”: PJM Interconnection, L.L.C. (C)

“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 this Tariff, including Distribution, Transmission, and Default Service charges within each Rate Schedule. Charges for Service exclude Transmission and Generation charges when Customer receives Competitive Energy Supply. (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. (C)

(C) Indicates Change

RULES AND REGULATIONS (Continued)**(N)**

1. 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 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 Customer.

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 Customer receiving Competitive Energy Supply arising out of or related to a contract or other relationship between Customer and an EGS.

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

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.

(N) Indicates New

Issued November 3, 1998

Effective January 1, 1999

RULES AND REGULATIONS (Continued)

2. Metering

a. The Company shall provide all meters and metering equipment necessary to obtain the information required to bill Customer. 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 b. below.

(R) b. 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.

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.

(R) Indicates Revision

RULES AND REGULATIONS (Continued)

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

RULES AND REGULATIONS (Continued)

3. Billing

(a) 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.

(b) Billing Options. The Company will always bill the Customer for the Company's distribution service charges, transmission charges and generation charges (when the Company is providing Default Service). 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 distribution service charges, but also for the Competitive Energy Supply. (C)

4. 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.

5. Individualized Company Facilities and Services:

The Company may, at its sole discretion and upon 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.

6. Changing Electric Generation Supplier

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. The Customer shall be required to receive Default Service during the period(s) the Customer elects for the Company to provide electric generation supply service via a request for proposal. (C)

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(N)

7. 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.

8. Interim Code of Conduct

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

Issued November 3, 1998

Effective January 1, 1999

RULES AND REGULATIONS (Continued)

9. 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.

10. 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

Issued February 8, 1999

Effective February 9, 1999

(C)

With the effective date appearing below,
the Competitive Transition Charge is hereby canceled.

(C) Indicates Change

Issued December 22, 2008

Effective January 1, 2009

(C)

With the effective date appearing below,
the Generation Rate Adjustment is hereby canceled.

(C) Indicates Change

(C)

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(C) Indicates Change

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this Tariff, a surcharge of 0.0000% will apply to all bills rendered on and after January 1, 2009. (C)

The above surcharge will be recomputed, using the elements prescribed by the Commission.

- (a) Whenever any of the tax rates used in calculation of the surcharge are changed.
- (b) Whenever the utility makes effective increased or decreased rates.
- (c) Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to changes in its state tax liability arising under 66 Pa. C.S. §§2806(g), 2809(c) or 2810.
- (d) And on March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within ten days after the occurrence of the event or date which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, and if the recomputed surcharge is more than the one then in effect the utility may, submit with such recomputation a Tariff or Supplement to reflect such recomputed surcharge, the effective date of which shall be ten days after filing.

(C) Indicates Change

CONSUMER EDUCATION CHARGE

PURPOSE

In accordance with the Consumer Education Plan approved by the Public Utility Commission in Docket No. M-2008-2032275, this charge provides for a fund for an education campaign to notify Customers of the expiration of generation rate caps and to provide Customers with energy management information to help mitigate the effect of rising energy costs.

APPLICATION

In addition to the charges provided in this Tariff, a Consumer Education Charge of \$0.00 per month will apply to bills rendered on or after April 1, 2009.

(C)

GENERAL

The Company will use unspent consumer education funds provided for in Docket No. R-00973981, as adjusted in Docket Nos. M-00981036 and M-00001326 and any future Public Utility Commission orders, to fund the Consumer Education Plan until such funds are insufficient. By February 1 of each year, the Company will file with the Public Utility Commission to revise the Consumer Education Charge effective the following April 1. Such filing will identify any remaining unspent consumer education funds and if such funds are insufficient to continue to fund the Consumer Education Plan, identify costs to be recovered by this charge, how the charge is calculated and a reconciliation statement, in accordance with the Consumer Education Plan approved by the Public Utility Commission in Docket No. M-2008-2032275.

(C) Indicates Change

Issued February 4, 2009

Effective April 1, 2009

(C)

ENERGY COST ADJUSTMENT SURCHARGE

In addition to the charges provided in this Tariff, there shall be an Energy Cost Adjustment Surcharge. This surcharge is an automatic adjustment clause for any over-recovery or under-recovery of the Company's Actual Costs (inclusive of the Company's 60-day settlement adjustment) for the provision of Default Service. Actual Costs shall include electric generation supply costs, and supply management, administrative, and alternative energy portfolio standard compliance costs, as such terms are defined in 52 Pa. Code §69.1803 and §69.1806 through §69.1810. Interest from Customers on the under-collection of Actual Costs shall accrue at the legal rate of interest, and interest to Customers on the over-collection of Actual Costs shall accrue at the legal rate of interest plus two percent.

Reconciliation adjustments to this surcharge will be made:

1. Quarterly for Customers receiving the Fixed-Priced Option, or may be made as frequently as monthly should the reconciliation diverge by greater than 4%; or
2. Monthly for Customers receiving the Hourly-Priced Option.

Applicable bills shall include an amount equal to the surcharge times the number of kilowatt-hours used in the effective billing period. The resulting charge/credit is in addition to any minimum charge set out in this Tariff and is added to the Customer's bill before any other surcharge is levied against the Customer's bill.

The current Energy Cost Adjustment Surcharge is available on the Company's website at www.alleghenypower.com

(C) Indicates Change

AGREEMENT FOR INTERCHANGE OF ELECTRIC ENERGY
BETWEEN WEST PENN POWER COMPANY AND
THE PENNSYLVANIA STATE UNIVERSITY

THIS AGREEMENT, made and entered into this 22 day of January 1981, by and between WEST PENN POWER COMPANY, a Corporation of the State of Pennsylvania having its principal office in the City of Greensburg, Pennsylvania, hereinafter referred to as "West Penn" and THE PENNSYLVANIA STATE UNIVERSITY, a Corporation of the State of Pennsylvania having its principal office in the Borough of State College, Pennsylvania, hereinafter referred to as "The University," WITNESSETH THAT:

WHEREAS, West Penn and The University entered into an agreement dated September 1, 1950, by which they are interchanging electric energy in order to realize savings in operating costs and other benefits; and

WHEREAS, West Penn and The University desire to continue and interchange of electric energy by parallel operation for their mutual advantage; and

WHEREAS, the providing of new connection facilities and additional capacity make a new agreement necessary;

NOW, THEREFORE, in consideration of the premises and the covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. The parties agree to (a) the interchange of energy over an interconnection between the West Penn Patterson Street substation and The University central power plant, and (b) the supply of energy by West Penn at the State College substation, the Thompson Farm substation, and the Orchard Road substation.
2. The University agrees to own, maintain, and operate all facilities required to take service at 12.5 Kv from a metering point in the vicinity of each interchange or supply point.
3. West Penn agrees to deliver to The University 36,000 kilovolt-amperes and The University agrees to receive electric energy as required by The University.
4. The monthly rate for sales to The University by West Penn shall be as follows:

DISTRIBUTION CHARGES

(I)

DEMAND CHARGE

| | |
|-------------------------------------|----------------------------|
| First 10,000 kilovolt-amperes | \$0.91 per kilovolt-ampere |
| Additional kilovolt-amperes..... | \$0.90 per kilovolt-ampere |

ENERGY CHARGE

| | |
|--------------------------|-----------------------------|
| All kilowatt-hours | \$0.00277 per kilowatt-hour |
|--------------------------|-----------------------------|

(I) Indicates Increase

Issued December 30, 2002

Effective for all bills
rendered on or after
January 1, 2003

TRANSMISSION CHARGES

DEMAND CHARGE

First 10,000 kilovolt-amperes \$0.19 per kilovolt-ampere
Additional kilovolt-amperes \$0.18 per kilovolt-ampere

(C)

ENERGY CHARGE

All kilowatt-hours \$0.00240 per kilowatt-hour

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

(C)

GENERATION CHARGE

(C)

Fixed-Price Option

Not available during 2009 in accordance with Customer's election of Competitive Energy Supply

Hourly-Priced Option

Provided in accordance with the Hourly-Priced Default Service Rider

Eligibility for the Fixed-Price Option and the Hourly-Priced Option is defined in the Rules and Regulations of this Tariff.

(C)

The transmission and generation charge applies only when Customer receives Default Service from Company. These charges do not apply when Customer obtains Competitive Energy Supply.

(C)

Compensating for Transmission and Distribution Losses.

For service between 1,000 and 15,000 volts, multiplying Customers' on peak metered energy by 1.07447 and off-peak metered energy by 1.04325 produces the generation energy that must be delivered to the West Penn system.

(C)

(C) Indicates Change

(C)

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(C) Indicates Change

Issued December 22, 2008

Effective January 1, 2009

The billing demand for any month shall be the average of the weekly demands established during the calendar weeks ending within the billing month. The demand for a week shall be the maximum simultaneous fifteen-minute kilovolt-ampere demand but not less than 50 percent of the highest weekly demand of the month.

The University's demand shall not be less than the highest of the following:

- (a) 50 percent of the kilovolt-ampere demand capacity of this agreement.
 - (b) 50 percent of the highest demand previously established during the term of this agreement.
5. Bills for service will be rendered each month and shall be due upon presentation. (C)
 6. The University agrees to notify West Penn at any time load in excess of 500 kilowatts is switched from one service point to another. (C)
 7. Initial connection capacity and any changes in capacities, facilities, or service locations shall be by mutual agreement. (C)
 8. This agreement shall be and continue in force for an initial period of ten years and shall continue thereafter until after two years notification in writing has been given by either party to the other of a desire to terminate it. (C)

(C) Indicates Change

12. Each party agrees to provide the devices necessary to protect its equipment during parallel operation, and each further agrees that neither party shall be liable to the other for damage to equipment resulting from parallel operation.
13. This agreement shall at all times be subject to such changes or modifications by the Pennsylvania Public Utility Commission ("Commission"), as the Commission may, from time to time, direct in the exercise of its jurisdiction. Moreover, nothing contained in this agreement shall be so construed as to require The University or West Penn to violate any tariff, rule, or regulation promulgated by or filed with the Commission. Finally, if any part of this agreement should be declared invalid by any lawful tribunal having jurisdiction and if said declaration becomes finally binding, said declaration shall not affect the remainder of the agreement, but the remaining portions shall be binding upon the parties hereto, and neither of the said parties hereto shall have any redress against the other party for or on account of any provision that may be so declared invalid.
14. Upon becoming effective, the agreement shall be binding upon the parties hereto and any successor or assignee of either party who may acquire all or substantially all of the electric system of such party.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their duly authorized officers, and to be sealed with their respective corporate seals attached by their respective Secretaries the day and year first above written.

ATTEST:

WEST PENN POWER COMPANY

Secretary

(SEAL)

By: _____
Vice President

ATTEST:

THE PENNSYLVANIA STATE UNIVERSITY

Secretary of the Corporation

(SEAL)

By: _____
Assistant Treasurer

WIND ENERGY SERVICE RIDER

(C)

PURPOSE

The purpose of this Rider is to promote the development of wind energy in Pennsylvania and adjacent areas. Customers electing this Rider do not receive delivery of additional wind energy. Energy from the wind energy projects, and accompanying renewable attributes, to which Customers contribute under this Rider are deliverable to the PJM or MISO electric grid.

AVAILABILITY

Subject to the limitations and restrictions described below, service under this voluntary Rider is available to all Customers served under the Tariff, regardless of whether the Customer is receiving Default Service from the Company or electing to obtain Competitive Energy Supply. Customers who elect to receive Wind Energy Service under this Rider will be subject to the charge described below.

DEFINITIONS

Wind Energy Renewable Attributes – The renewable attributes associated with electric capacity and energy generated from new and existing wind resources in the following areas: 20% from wind resources located within Pennsylvania; 20% from wind resources located in PJM states other than Pennsylvania; and 60% from wind resources located in MISO states.

PJM – The PJM Interconnection, L.L.C. regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

MISO – The Midwest Independent Transmission System Operator, Inc. regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, South Dakota, Wisconsin and the Canadian province of Manitoba.

Wind Energy Block – One Wind Energy Block equals 100 kilowatt-hours of Wind Energy Renewable Attributes.

Wind Energy Service – The monthly renewable attributes for which the Customer has contracted for under this Rider. The Customer selects a fixed number of Wind Energy Blocks per month.

Service Restrictions – The total amount of Service available under this Rider will be limited to the amount of such resources available for purchase by the Company. This Rider is not available to Customers in arrears with the Company.

Changes to Wind Energy Service – Customers may change the number of Wind Energy Blocks selected and may terminate Wind Energy Service under this Rider effective as of the Customers' next scheduled meter reading date, provided the Company has received sufficient notice.

(C) Indicates Change

WIND ENERGY SERVICE RIDER (Concluded)

(C)

RATE

Wind Energy Service Charge \$2.50 per Wind Energy Block per month

The Wind Energy Service Charge is in addition to the charges billed under this Tariff. Customers will be billed for the fixed number of Wind Energy Blocks selected regardless of actual energy use during the billing period.

The Wind Energy Service Charge shall be set out separately on the Customer's bill and is not subject to a late payment charge.

SPECIAL CONTRACTS

The Company, in its sole discretion, may execute a special wind energy service contract with a Customer who elects to purchase a wind energy renewable attribute blend different than defined above, for a term equal to or greater than one year.

TERM

Month to month basis. The Company reserves the right to withdraw this Rider upon thirty (30) days written notice to the Customer. This Rider shall terminate December 31, 2010 unless extended pursuant to Pennsylvania Public Utility Commission Order.

(C) Indicates Change

(C)

HOURLY-PRICED DEFAULT SERVICE RIDER

DESCRIPTION

This Rider provides Default Service and is not applicable to Customers obtaining Competitive Energy Supply. Distribution Charges, Transmission Charges and all applicable surcharges continue to apply.

MONTHLY RATE

The retail price for Hourly-Priced Default Service calculated monthly will be determined as follows:

$$\sum_{i=1}^n [LMP \times (1+LLF) \times (kWh/1000)]_i \times [1/(1-T)] +$$

$$\sum_{j=1}^m [(PLC/1000) \times CP \times (1+CF)]_j \times [1/(1-T)] +$$

$$\sum_{i=1}^n \{ [([OMC + AECC] \times [1+LLF]) + SMA] \times (kWh/1000) \}_i \times [1/(1-T)]$$

Where:

- LMP = Locational Marginal Price per megawatt-hour. The PJM hourly integrated day-ahead locational marginal price for energy at the APS Zone (or its successor) inclusive of congestion and exclusive of marginal losses, as posted at www.pjm.com. LMP will consist of 100% day-ahead purchases with the balancing between day-ahead and real-time collected through the Energy Cost Adjustment.
- LLF = Line Loss Factor as provided in the Electric Generation Supplier Services Tariff
- kWh = kilowatt-hour as measured at the Customer meter
- T = Tax. Effective Pennsylvania Gross Receipts Tax rate
- i = Hourly interval
- n = Number of hourly intervals in monthly billing period
- PLC = Customer kilowatt capacity Peak Load Contribution obligation
- CP = Capacity Price per megawatt as posted at www.pjm.com
- CF = Capacity Factor. PJM factor for forecast pool requirements and zonal scaling
- j = Calendar day
- m = Number of calendar days in monthly billing period
- OMC = Other Market Charge cost per megawatt-hour. Federal Energy Regulatory Commission (FERC) approved ancillary services, administrative, and any other FERC-approved or PJM charges and costs incurred by the Company directly related to the Hourly-Priced Default Service obligation
- AECC = Alternative Energy Credit Compliance cost per megawatt-hour
- SMA = Supply Management and Administrative cost per megawatt-hour

TERM

Month to month basis.

GENERAL

Service supplied is subject to the Company's Rules and Regulations.

(C) Indicates Change