

S. C. C. Va. No. 15

This Tariff Cancels and Supersedes All Preceding Schedules

THE POTOMAC EDISON COMPANY

Hagerstown, Maryland

Doing Business As

ALLEGHENY POWER

**Schedules, Rules and Regulations for Furnishing
Electricity**

in the

Territory Served by This Company

in Virginia

**Filed with the STATE CORPORATION COMMISSION
OF VIRGINIA**

ISSUED UNDER ORDER OF THE S.C.C. DATED 12/21/2001 IN CASE NO. PUE000280

ISSUED BY

BRUCE E. WALENCZYK, VICE PRESIDENT

Issued January 7, 2002

**Effective for all bills
rendered on and after
January 8, 2002**

TOWNS SERVED BY THIS COMPANY IN VIRGINIA

ALBEMARLE COUNTY

CLARKE COUNTY

Berryville	Briggs	Gaylord	White Post
Boyce	Double Tollgate	Millwood	

CULPEPER COUNTY

FAQUIER COUNTY

Conde	Orlean	Cresthill
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FREDERICK COUNTY

Albin	Gainesboro	Mountain Falls	Stephenson
Armel	Gore	Mt. Williams	Sunnyside
Bartonville	Green Spring	Nain	Tulip
Brucetown	Grimes	Nain Lenore	Vaucluse
Chambersville	Hayfield	Opequon	Whitacre
Clear Brook	Kernstown	Star Tannery	White Hall
Fawcett Gap	Middletown	Stephens City	Winchester

GREEN COUNTY

Bris	Geer	Ruckersville
Dyke	Quinque	Standardsville

HIGHLAND COUNTY

Blue Grass	McDowell	Monterey
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MADISON COUNTY

Achsah	Etlan	Oak Park	Syria
Aroda	Haywood	Peola Mills	Twymans Mills
Banc	Locust Dale	Pratts	Uno
Brightwood	Madison	Radiant	Wolftown
Criglersville	Nethers	Rochells	

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TOWNS SERVED BY THIS COMPANY IN VIRGINIA

ORANGE COUNTY

Barboursville

Somerset

PAGE COUNTY

Alma
Hamburg
Honeyville
Ida

Kimball
Leaksville
Long
Luray

Overall
Rileyville
Shenandoah

Stanley
Stoney Man
Verbena

RAPPAHANNOCK COUNTY

Amissville
Flint Hill

Huntley
Scrabble

Slate Milles
Sperryville

Washington
Woodville

ROCKINGHAM

SHENANDOAH COUNTY

Clary
Fishers Hill
Lebanon Church

Oranda
Strasburg

Strasburg Junction
Topnot

Wheatfield
Zepp

WARREN COUNTY

Ashby
Buckton
Bentonville
Brown Town

Cedarville
Front Royal
Happy Creek
Limeton

Linden
Nenevah
Reliance
Riverton

Rockland
Success
Water Lick

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ISSUED BY DAVID E. FLITMAN, PRESIDENT

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ISSUED BY JOSEPH H. RICHARDSON, PRESIDENT

Issued August 8, 2005

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August 8, 2005

THE POTOMAC EDISON COMPANY
ELECTRIC SERVICE TARIFF
TERMS, CONDITIONS AND RATE SCHEDULES

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

These Rules and Regulations are supplementary to any Rules and Regulations pertaining to Electric Utilities by the State Corporation Commission of Virginia.

These Rules and Regulations and Rate Schedules for the supply of electricity are subject to changes and revisions in a manner prescribed by law. All contracts are subject to such changes and revisions. A copy of this Tariff is filed with the Commission and copies are posted and open to inspection at the Company's offices. Interpretation of this Tariff as to its intent and applicability will be made by the Company subject to approval of the Commission.

1. DEFINITIONS

Certain words, when used in the Rules and Regulations, Rate Schedules and Agreements of The Potomac Edison Company shall be understood to have the following meanings:

(a) "Aggregator": A Person, licensed by the Commission that, as an agent or intermediary, offers to purchase, or purchases, Electricity Supply Service or offers to arrange for, or arranges for, the purchase of Electricity Supply Service for sale to, or on behalf of, two or more Customers not controlled by or under common control with such Person. A Person that purchases or arranges for the purchase of Competitive Energy Services for multiple locations owned and operated under the same corporate or partnership structure shall not be an Aggregator.

(b) "Applicant": Any Person or group of Persons, including the developer, builder, property owner or other Person, partnership, association, corporation, or governmental entity requesting a supply of electricity from the Company.

(c) "Capacity Required": The maximum rate of use of energy by the Customer during a stated time interval, expressed in kilowatts or KW (1,000 watts).

(d) "Commission": State Corporation Commission of Virginia.

(e) "Company": The Potomac Edison Company doing business as Allegheny Power.

(f) "Company Charges": The sum of the distribution charges and any surcharges that may be in effect from time to time. Also includes transmission charges and generation charges if Default Service is taken from the Company.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

Issued January 7, 2002

Effective for all bills
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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

1. DEFINITIONS (Continued)

(g) "Competitive Energy Service": The retail sale of Electricity Supply Service or any other competitive service as provided by legislation and approved by the Commission as part of retail access by an entity other than the Company. Competitive Energy Service includes services provided to retail Customers by Aggregators, but does not include Services provided to Customers by the Company in the provision of Default Service.

(h) "Competitive Service Provider": A Person, licensed by the Commission, that sells or offers to sell a Competitive Energy Service within the Commonwealth of Virginia. Competitive Service Provider includes Aggregators, but does not include the Company.

(i) "Customer": Any Person or group of Persons, including the developer, builder, property owner, or other Person, partnership, association, corporation, or other entity purchasing electricity from the Company.

(j) "Default Service": Service made available to Customers who do not affirmatively select a Competitive Service Provider or are unable to obtain Service from a Competitive Service Provider.

(k) "Distribution System": Overhead or underground electric Service facilities consisting of primary and secondary conductors, Service drops or laterals, transformers and accessories and appurtenances for the furnishing of electric power at utilization voltage.

(l) "Electric Service Agreement": Form used as formal contract between the Company and the industrial or commercial Applicant or Customer stipulating term, conditions of Service, and obligations of both parties.

(m) "Electric Service Application": Form completed by electric Service Applicant when Applicant does not presently have an account with the Company or Service has been terminated for non-payment of bill, or for fraud, for violation of Company rules on file with the Commission, or failure to provide access to utility property on the Customer's premises, and Applicant must re-establish credit.

(n) "Electricity Supply Service": The generation of electricity and its transmission to the distribution facilities of the Company on behalf of a retail Customer.

(o) "Energy Required": The use of energy by the Customer, expressed in kilowatthours (kWh), the use of 1,000 watts for one hour.

(p) "Master Metered Service": Electric Service provided to multiple occupancy buildings and associated common areas and facilities, the electric energy and load usage for which is measured for billing purposes through a single meter. The owner/operator of the multiple occupancy building may collect the utility bill from occupants in accordance with the Commission's Rules for Submetering Electricity.

(q) "Minimum Revenue Requirement": Aggregate revenue resulting from Rate Schedule billing (exclusive of fuel rate revenue and taxes) required over a stated period of time to support the Company's net investment in local facilities for an Applicant or Customer.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

1. DEFINITIONS (Concluded)

(r) "Month": The period between two monthly meter readings taken as nearly as practicable on the same date each calendar Month as selected by the Company.

(s) "Multi-Family Dwelling Unit": A structure designed to contain more than one residential dwelling unit.

(t) "Non-Residential Customer": A Customer taking Service, other than Residential Service, and subject to billing for electric Service on any schedule other than the Residential Service Schedules.

(u) "Person": Any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity, and the Commonwealth of Virginia or any city, county, town, authority or other political subdivision of the Commonwealth of Virginia.

(v) "Point of Service": The point of connection between the Distribution System of the Company and the electric system of the Customer.

(w) "Rate Schedule": A rate which may be obtained by a Customer if his use of Service conforms to the character of supply contemplated in the rate.

(x) "Residential Service": Service through one meter to a householder or tenant living in a separate dwelling unit, such as a house, mobile home, or separate apartment in a building, each such dwelling unit having a separate kitchen, using electric energy for general household Service, and may include use of electric energy for lighting the yard, private garages and/or barns which are adjacent to and on the same parcel as the residence being served and are used exclusively by the resident being served.

(y) "Residential Subdivision": A parcel of real property which includes two or more adjacent lots having or intended for residential structures.

(z) "Service": Any electricity which the Company may supply or make provision to supply or any work or material furnished or any obligation performed by the Company hereunder or under any Rate Schedule of the Company.

(aa) "Submetered Service": The metered measurement of Service by the owner/operator of a master metered multiple occupancy building for the purpose of determining the actual use of individual occupants.

(ab) "Temporary Service": Service supplied to residential or Non-Residential Customers for purposes where the facilities will not be used to provide permanent Service.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

2. CHARACTERISTICS OF SERVICE SUPPLIED

(a) The Company will furnish only single or three phase, sixty hertz alternating current at available Company standard voltage.

(b) The rates in this Tariff are based on the cost of providing Service overhead. Customers may secure underground Service from overhead wires by paying the excess cost incident hereto or may elect to receive Service under the Company's underground extension plan as provided under Plan "C" of Schedule "E". Specifications and terms for such construction will be furnished by the Company on request.

(c) Depending upon the Company's available facilities, method of Service and the size and character of the Customer's load, the Company may supply the following voltages:

<u>Voltage</u>	<u>Phase</u>	<u>Wires</u>
120/240	1	3
120/208	3	4
120/240	3	4*
277/480	3	4
480	3	3**
2400	3	3**
4,160	3	4***
12,470	3	4
34,500	3	3
34,500	3	4

* This Service voltage is not available for underground Service energized from an underground primary source regardless of the source voltage. This Service voltage is available from an overhead closed-delta or open-delta transformer bank energized from an overhead 12.47 kV and below primary source and from an open-delta transformer bank with a maximum transformer capacity of 1-75 kVA and 1-25 kVA energized from an overhead 34.5 kV primary source. Overhead closed-delta transformer banks are not permitted on a 34.5 kV primary source.

** Restricted to installations as of October 1, 1993.

*** When Service is taken at 4160 volts, it will be necessary for the Customer to install 15 kV class equipment and provide space adequate for satisfactory 15 V operation.

(d) The Company will undertake to furnish Service to a building or group of buildings of the Customer for use only in or on the premises owned, leased to, occupied, or managed by the Customer. Such building or units shall be situated on a single or contiguous land parcel.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

2. CHARACTERISTICS OF SERVICE SUPPLIED (Concluded)

(e) The Company will endeavor to supply voltages within the following limits:

1. For electricity supplied for Residential Service in urban areas, the variation from standard voltage to minimum voltage will not be more than 5 percent of the standard voltage, and the variation from standard voltage to maximum voltage will not be more than 5 percent of the standard voltage.
2. For electricity supplied for Residential Service in all other areas, the variation from standard voltage to minimum voltage will not be more than 7.5 percent of standard voltage, and the variation from standard voltage to maximum voltage will not be more than 7.5 percent of the standard voltage.
3. For electricity supplied for other Services, the variation from standard voltage to minimum voltage will not exceed 7.5 percent of standard voltage, and the variation from standard voltage to maximum voltage will not exceed 7.5 percent of standard voltage.

3. APPLICATION FOR SERVICE

(a) An Applicant should contact the Company as soon as possible after deciding to seek electric Service.

(b) The Company reserves the right to require the Applicant, before any electricity is delivered, to execute a written "Electric Service Application". Whether or not a written Electric Service Application or Electric Service Agreement is executed, the Applicant, by accepting the electricity, agrees to be bound by the applicable Rate Schedule and these terms and conditions as amended from time to time. Failure to make application will make new Customers liable for all Services supplied since the last meter reading by which the previous Customer on the same premises was billed.

(c) The Company will be obligated to supply electricity to an Applicant only when the following conditions shall have been complied with:

1. The Applicant's installation shall have been made in accordance with the Company's published "Customer Requirements for Electric Service" as filed with the Commission.
2. The Company has received from the Applicant, or if the Company so elects, has obtained for itself, a certificate signed by a qualified inspection agency certifying that the wiring on the premises of the Applicant has been installed in compliance with the requirements of the National Electric Code and such other requirements as may be fixed by governmental authority. All fees or other charges required to be paid in connection with the issuance of such certificates shall be borne by the Applicant.

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Issued under Order of the S.C.C. dated 12/ 21/ 2001 in Case No. PUE000280

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

3. APPLICATION FOR SERVICE (Concluded)

(d) Any changes in, or additions to, the original wiring, equipment or appliances of an Applicant or Customer should be properly installed and maintained and should be in compliance with requirements of the National Electric Code.

(e) In no event shall the Company be under any obligation to inspect the wiring equipment or appliances of an Applicant or Customer(s) nor be responsible for damages arising from any error or defect in them. In the event that the Company has notice, actual or constructive, that the wiring, equipment or apparatus on the premises may present an unsafe or hazardous condition, the Company will withhold supplying Service until it receives evidence that such unsafe or hazardous condition has been corrected and where appropriate an inspection certificate has been received.

(f) The Company shall advise the Customer initiating new Service of the Customer's right and opportunity to choose a Competitive Service Provider.

4. SERVICE CONNECTIONS

(a) The Company will make application for the permits and acquire the easements necessary to build its supply facilities to the property occupied by the Applicant or Customer and the Applicant or Customer will apply for, obtain, and deliver to the Company all other permits or certificates necessary to give the Company the right to connect its conductors to the Applicant's or Customer's wiring and access for all other proper purposes, including a satisfactory easement from the land owner for the Company's facilities on the property occupied by the Applicant or Customer. The Company shall not be required to obtain easements or permits over or under the property of another necessary for Service if the terms thereof are unduly burdensome. If necessary, the Applicant shall be asked to assist the Company in obtaining right-of-way after the Company has made initial contact. Electric Service will be supplied within a reasonable time after all necessary permits, certificates and easements have been obtained.

(b) The Company furnishes, owns and maintains on the Customer's premises meters, metering transformers, Service laterals, distribution transformers and lines and other equipment needed to serve Customers from its Distribution System, except as otherwise provided under the Metering Services and Ownership Rider of this Tariff.

(c) When Service is supplied and metered at the primary voltage level, the Company's serving facilities include metering transformers and associated equipment, lightning arrestors and short circuit protection devices, if required. The Customer shall install, own and maintain all necessary interconnecting line facilities including a fully-rated, gang-operated switch and fuse, transformers and associated equipment beyond the meter point. The Company, the Customer, or the Customer's authorized Competitive Service Provider may furnish and own the meter in accordance with the provisions of the Metering Services & Ownership Rider.

(d) Should any change or changes in the Service connection furnished the Customer by the Company be made necessary by any requirement of public authority, the entire cost of such changes on the Customer's side of the Point of Service shall be borne by the Customer.

ISSUED BY JEFFREY D. SERKES, VICE PRESIDENT

Issued August 29, 2003

Effective January 1, 2004

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

4. SERVICE CONNECTIONS (Continued)

(e) The Company will supply electricity at one Point of Service and each such Point of Service will be metered and billed separately unless otherwise specifically provided for in the Rate Schedule under which the Customer receives Service or any Rules and Regulations of the Company.

(f) A Service connection charge of \$16.00 will be made when Service (other than Temporary Service) is initiated to any Customer at any location, or resumed after discontinuance at the request of the Customer, and a field trip is necessary to connect the Service. This charge will be in addition to any other charges required to provide the Customer with electricity.

(g) Whenever a Customer requests the Company to supply electricity to a single premise in a manner which requires equipment and facilities over and above those which the Company would normally provide, and the Company finds it practicable, such additional equipment and facilities will be supplied by the Company provided the Customer pays, in advance of construction, the additional estimated costs or agrees to pay a monthly facility charge equal to 1.9% of the additional estimated costs, which include applicable local, state and federal taxes. Thirty foot standard wood poles will be supplied as service poles for mobile homes at monthly rates listed in outdoor lighting schedules of this tariff. (Restricted to installations as of November 18, 1994.) These facility charges will be in addition to and independent of any other provisions of the Rules and Regulations or Rate Schedules and are subject to the Late Payment Charge as provided for in 12(b) of these Rules and Regulations. Should additional or replacement facilities be required at a future date to serve the Customer, then the monthly facility charge shall be increased or decreased proportionately and the Electric Service Agreement amended accordingly.

(h) Applicants shall supply the Company with drawings and specifications covering the plot and buildings to be supplied with Service in reasonable time to prepare electrical layout, make cost estimates and install required facilities.

(i) 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. The Company may provide such facilities and Services as, but not limited to, maintenance, testing, construction, engineering and power quality services to Customer facilities. 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. Any such charges will be in addition to and independent of any other provision of the Rules and Regulations or Rate Schedules and are subject to the late payment charges as provided for in 12(b) of these Rules and Regulations.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

Issued January 7, 2002

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

4. SERVICE CONNECTIONS (Concluded)

The Company may modify or discontinue the provisions of this rule at any time, subject to any orders of the Commission. Unless otherwise ordered by the 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. The Company shall not be obligated or responsible to assume any unusual financial risk for service connections and additional facilities.

5. LOCATION OF COMPANY'S EQUIPMENT

(a) The Customer shall furnish the Company, without cost, satisfactory right-of-way, and suitable location and housing for equipment, on his premises, for the Company's facilities required to provide the Customer with Service.

(b) The Customer shall provide suitable space for the installation of meters and equipment at an outside location designated by the Company. Clear access must be provided by the Customer for Company personnel to maintain and read the meter. The Customer shall obtain written approval from the Company for installation of such apparatus at an indoor location.

(c) For residential dwellings where meters are not grouped at one location, the meter shall be located outside on the corner of the dwelling closest to the Company's Service facilities. If this location is not feasible due to physical obstructions, such as garage doors or windows, an alternate location closest to the Company's Service facilities will be chosen by the Company.

(d) All Service equipment furnished by the Company shall be and remain the property of the Company.

(e) Interference or tampering with the meters or Company facilities or any act preventing the proper registration of Service is prohibited and the Customer by reason of his control of the premises shall pay for all damages caused by violation of this rule. Furthermore, if incorrect metering is caused by such violation, the Customer shall pay an amount estimated by the Company to cover Service not properly recorded.

6. ACCESS TO CUSTOMER'S PREMISES

The Company shall have free access at a reasonable hour to the Customer's premises for such purposes as may be proper and necessary in connection with supplying Service.

ISSUED BY JEFFREY D. SERKES, VICE PRESIDENT

Issued August 29, 2003

Effective January 1, 2004

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

7. DEPOSITS FOR SERVICE

(a) Upon initial application for Service, after accumulation of two termination of Service notices within a twelve (12) Month period, or after disconnection of Service for non payment of bills, fraudulent use of electricity, etc., the Customer may be required to make a deposit with the Company amounting to 1/6 of the estimated Company Charges for Service for the ensuing twelve (12) Month period. The Customer may be required to provide additional deposit when the amount already secured is less than 1/6 of the Customer's estimated Company Charges for Service for a twelve (12) Month period.

(b) Whenever the Company requires a deposit from any residential Customer, said Customer shall be permitted to pay it in three consecutive equal monthly installments whenever the total amount of the required deposit exceeds the sum of forty dollars (\$40.00).

(c) Simple interest at the annual rate established by the Commission will be paid on each deposit held longer than 90 days, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund.

(d) At the Customer's option, the Company shall annually make either direct payment to the Customer of all accrued interest, or shall credit same to the Customer's account.

(e) Residential Customers' deposits shall not be held longer than one year and all other deposits shall not be held longer than two years provided the Customer has established satisfactory credit during that period. Satisfactory credit is defined as full payment of bills prior to receipt of notice of termination with no more than two late payment charges assessed during the period for:

1. 12 consecutive months for residential Customers, or
2. 24 consecutive months for Non-Residential Customers, and the Customer's account is not currently in arrears.

(f) The Company shall, however, be under no obligation to return any deposit to any Customer whose Service has been terminated until the Company has had a reasonable time to read and remove meters and to ascertain that the obligations of the Customer have been fully performed.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

8. SELECTION OF SCHEDULE

(a) Whenever there is a choice of Rate Schedule, the choice lies with the Customer. Each schedule sets forth the conditions under which it applies. The full and active assistance of the Company is freely offered and, on request, will be given to the Customer in order to determine which schedule is then the most favorable to the Customer.

(b) If and when the Customer notifies the Company of changes in his connected load, Capacity Required, operating conditions, or other factors which may affect the selection of the schedule, an investigation will be made by the Company and the Customer will be assisted in determining whether a change in schedule is then advisable.

(c) When the Company, upon the written request of the Customer, has determined the lowest rate applicable to the Customer's Service, based on written information supplied by the Customer, and the Customer has selected that rate, the Company shall, if the rate is not the lowest rate, refund to the Customer the difference between the actual amount paid by the Customer while receiving Service under such rate and the amount chargeable under the lowest applicable rate; but no refund shall be required where the written information supplied by the Customer as to his expected demand and use differs from his actual demand and use.

(d) Whenever the Customer notifies the Company of changes in his connected load, Capacity Required, operating conditions or other factors affecting Service, and such changes require additional Company investment, and the Customer is provided Service on a restricted Rate Schedule, the Customer shall be transferred to the appropriate active Rate Schedule at that time.

9. CUSTOMER'S INSTALLATION AND RESPONSIBILITY

(a) The Customer, in accepting Service from the Company, assumes full responsibility for the safety and efficiency of the wiring and apparatus installed by the Customer and agrees to indemnify and save harmless the Company from and against any and all loss or liability caused by such Customer facilities. The Customer further agrees to indemnify and save the Company harmless against any liability that arises as the result of the use of Service supplied to the Customer by the Company.

(b) The Customer shall not operate any apparatus creating a condition which prevents the Company from supplying satisfactory Service to the Customer or to other Customers. The Company reserves the right to place restrictions on the type and manner of use of all the Customer's electrical equipment connected to the Company's lines, especially prohibiting any loads of highly fluctuating or low power factor character.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING

(a) Competitive Billing

- (1) Retail Customer Billing Options. The Customer's Competitive Service Provider shall offer one or more of the following Customer billing options: (a) separate bills from the Company and the Competitive Service Provider, (b) a Company consolidated bill, or (c) a Competitive Service Provider consolidated bill. When the Company provides billing for Competitive Energy Service on behalf of a Competitive Service Provider, the Company shall not be responsible for billing errors resulting from incorrect price information received from a Competitive Service Provider.

The Competitive Service Provider shall notify the Company of the Customer's billing Service option when notifying the Company of the Customer's switch. If a Customer changes their billing option after initial enrollment, the Competitive Service Provider must notify the Company of the change at least seven (7) days prior to the Company's regularly scheduled meter read date. If the Competitive Service Provider fails to notify seven (7) days prior to the regularly scheduled meter read date, the billing option change will take effect on the following regularly scheduled meter read date. All Customers will have the opportunity to choose from the following billing Service options:

(i) Separate Company / Competitive Service Provider Billing.

The Company and the Competitive Service Provider will separately send their bills directly to the Customer. The Company will calculate its charges, prepare the bill, and render the bill consistent with its standard billing practices. This billing method is independent of the Competitive Service Provider billing. For Customers, the Company will deliver its bill by mail unless the Customer agrees to some other form of billing Service provided by the Company. The Company has no obligations regarding accuracy of Competitive Service Provider charges or related payment disputes. The Company will be responsible for performing meter reading Services, and shall transmit necessary data to the Competitive Service Provider in a timely fashion. The Company and the Competitive Service Provider shall process all complaints and perform Customer Services in accordance with applicable Commission Orders, Rules, and Regulations.

ISSUED BY REGIS F. BINDER, VICE PRESIDENT

Issued May 2, 2003

Effective July 1, 2003

Issued under Order of the S.C.C. dated 8/21/2002 in Case No. PUE-2001-00297

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING (Continued)

(ii) Company Consolidated Billing (Rate Ready Option).

Under this option the Company will calculate both the Company and Competitive Service Provider charges and render a consolidated bill to the Customer. The Company will collect and process Customer payments consistent with applicable Commission Orders, Rules, and Regulations. Payments will be submitted to the Competitive Service Provider normally within one day of receipt from the Customer. The Company shall process all complaints and perform Customer Service in accordance with applicable Commission Orders, Rules, and Regulations.

(iii) Company Consolidated Billing (Bill Ready Option).

The Company will forward the billing determinants used for billing to the Competitive Service Provider normally within one business day of the actual meter reading or the estimating of usage. The Competitive Service Provider is responsible for calculating its charges and submitting the charges to the Company in accordance with applicable Commission Orders, Rules, and Regulations. If the Competitive Service Provider fails to transmit its Customers' information to the Company in the required timeframe, the Company will render a bill containing only its charges. The Company will not be liable for the Competitive Service Provider's charges or losses, damages or consequential damages associated with the Competitive Service Provider's Customers not being billed for the Competitive Service Provider's charges for that period. The Company will collect and process Customer payments consistent with applicable Commission Orders, Rules, and Regulations. Payments will be submitted to the Competitive Service Provider normally within one day of receipt from the Customer. The Company and the Competitive Service Provider shall process all complaints and perform Customer Service in accordance with applicable Commission Orders, Rules, and Regulations.

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Effective July 1, 2003

Issued under Order of the S.C.C. dated 8/21/2002 in Case No. PUE-2001-00297

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING (Continued)

(iv) Competitive Service Provider Consolidated Billing (Bill Ready Option).

A Competitive Service Provider that wishes to offer this option is responsible to abide by the Commission Rules Governing Retail Access to Competitive Energy Services. The Company will provide information to the Competitive Service Provider on the Company's Charges for inclusion on the Competitive Service Provider's consolidated bill using the Company's existing EDI formats or other means deemed necessary in the interim. The Competitive Service Provider will collect and process Customer payments consistent with applicable Commission Orders, Rules, and Regulations. Payments of Company Charges will be submitted by the Competitive Service Provider to the Company normally within one day of receipt from the Customer. For Customers receiving bi-monthly meter readings, the Company will transmit the necessary meter reading data and the associated Company Charges to the Competitive Service Provider on a bi-monthly basis. The Competitive Service Provider and the Company shall process all complaints and perform Customer Service in accordance with applicable Commission Orders, Rules, and Regulations.

A temporary work around will be implemented for Competitive Service Provider Consolidated Bill Ready Billing for July 1, 2003. This work around will involve the Company sending the Customer's Current Charges for inclusion on the Competitive Service Provider's consolidated bill. The method by which the Company sends the Customer's Current Charges to the Competitive Service Provider shall generally be via U.S. Mail, facsimile, e-mail or other Company-supported electronic transport. Payments of Company Charges will be submitted by the Competitive Service Provider to the Company normally within one day of receipt from the Customer. This work around will remain in effect until standardized Competitive Service Provider Consolidated Billing is implemented.

(b) Where Service is rendered under Rate Schedule provisions which do not require monthly demand measurements, meters may be read and bills rendered either monthly or bimonthly at the Company's option. When bills are rendered bimonthly, the minimum bill, Customer charge and the number of kilowatthours included in each energy block of the rate shall be twice the amount specified for monthly billing.

(c) All electricity sold by the Company shall be on the basis of meter measurement, except for installations such as street lighting, outdoor lighting and traffic signal Service where the usage is constant and the consumption may readily be computed, and all charges for electricity used shall be calculated from the meter reading or estimated consumption and the usage at each Point of Service shall be billed separately. If the Company is unable to secure meter readings for up to two consecutive meter reading periods, the Company may estimate use based on the Customer's prior usage pattern and any pertinent load and weather data.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING (Continued)

(d) Bills shall be rendered, as nearly as practicable, for 30 day periods when monthly, and 60 day periods when bimonthly. However, bills for less than 25 days or more than 35 days for monthly billing, and bills for less than 50 days or more than 70 days for bimonthly billing shall be prorated on the basis of the ratio of the number of days in the period to the number of days included in the standard period, which will be taken at thirty days for monthly billing and sixty days for bimonthly billing. Bills shall be due on the date rendered. In case of any dispute as to the date of rendering the postmark shall control.

(e) Bills for special or short term Service, including charges for connection and disconnection, may be rendered at any time at the discretion of the Company, and will be payable upon presentation.

(f) If the Service is supplied to the Customer before a meter is placed in use or while the metering is defective, the Customer will pay for Service on a basis estimated from a period of similar use.

(g) When an investigation discloses excessive bills due to an accidental ground on the Customer's wiring or equipment, occurring without the knowledge of the Customer, an allowance for a share of such wastage will be made by the Company. The allowed refund for an accidental ground will correspond to one-half (1/2) of the excess kilowatt-hours and, if applicable, one-half (1/2) of the excess kilowatt demand. The amount of refund shall be based on the Customer's average usage before the grounding condition existed, said average use to be determined by arithmetically averaging three (3) Months consumption, either current or prior year. The refund shall be made for the period for which the ground existed, if determinable, and if not determinable for a period of six Months.

(h) If the Company is prevented from supplying or if the Customer is prevented from receiving all or any portion of the Service required, and if such failure to supply or receive be due to fire, explosion, flood, riot, war, acts of God, public enemies, or order of Court, then a billing adjustment shall be made upon written request.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING (Continued)

(i) Residential Rate Schedule Customers have the option of using the Company's Average Payment Plan wherein billing Company Charges will be based upon 1/12 of the Customer's latest twelve Months usage. Any difference between the average payments and the actual charges for the 12 Month average payment period at its anniversary will be amortized over the next twelve (12) Month period. If a participant in the Average Payment Plan accumulates two or more termination of Service notices within a twelve Month period, the Company shall have the option of terminating that Customer's participation in the plan.

(j) 1. Final bills for residential and commercial Customers may be estimated if average use is less than 600 kilowatthours per Month unless:

- a. The Customer requests a reading and/or requests disconnection when leaving the premises.
- b. The Customer is an irregular user or has insufficient prior billing history available.
- c. The last regular meter reading was estimated.
- d. The final bill is a result of disconnection for non-payment of bills, fraudulent use, etc., and the Customer has not paid arrears, or made arrangements to pay arrears after 14 days, in which case the meter may be removed when the final reading is taken.

2. Final bills for all Customers whose average use exceeds 600 kilowatthours per Month will be based on actual readings.

- a. Final bills for all Customers with demand meters will be based on actual readings.

For those Customers, except for 1.(d) and 2.(a) above, the Company may rely on a meter reading submitted by the Customer as a final meter reading if it appears reasonable.

3. For subsequent Customers at these locations:

- a. If Service was disconnected for previous occupant and a final reading was obtained, or if Service was not disconnected and an actual meter reading was obtained prior to occupancy, that meter reading will be the beginning meter reading for the new Customer.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

10. METERING AND BILLING (Concluded)

- b. The estimated meter reading as determined in 10.(j)1. above will be used as the beginning meter reading for the new Customer, providing application for Service is made within 30 days of discontinuance by previous occupant, and no actual meter reading has been secured.

(k) A Competitive Service Provider may request a special meter reading on a date other than the regularly scheduled meter read date. The Company shall perform the requested special meter reading as promptly as working conditions permit. The special meter reading shall be for data collection or informational purposes only. Such special meter reading shall not be used to expedite a Customer's switch to a Competitive Service Provider or to return to the Company's Default Service.

11. MASTER METERING AND SUBMETERING

The Company will furnish electricity to the Customer for his own use, on the premises occupied through ownership or lease by the Customer, and the electricity furnished by the Company shall not be remetered, submetered or otherwise controlled by the Customer for resale or assignment to another or others, except as permitted under Title 56, Chapter 10, Article 2.1 of the Code of Virginia entitled "Regulation of Sub-Metering and Energy Allocation Equipment" and any rules or regulations promulgated by the Commission thereunder.

12. PAYMENTS

(a) General

Bills for Company Charges are due upon presentation and may be paid at any office of the Company, the Company's Mail Payment Center, or to any of its collectors, or to any of the Company's duly authorized collection agencies. When paid by mail, the date of payment will be determined by the postmark.

Failure to receive a bill does not excuse the Customer from payment obligations and payments shall be due and payable as provided herein without regard to any counterclaim whatever.

For Customer's accepting Default Service, the Company reserves the right to apply any bill payments made by the Customer in whole or in part to any account due to the Company by the Customer. The most delinquent bills shall be credited first.

(b) Late Payment Charge

Bills for Company Charges become past due 28 days from the mailing date shown on the Customer's bill which is the date the bill is prepared and mailed to the Customer, or sent to the Customer's authorized Competitive Service Provider for consolidated billing purposes.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

12. PAYMENTS (Concluded)

A late payment charge of 1-1/2% per Month will be imposed on Company Charges for all past due balance on the Company's books, excluding local consumer taxes.

(c) Disconnection Notice

When a disconnection notice has been sent to the Customer, payment of Company Charges must be made at a Company office or to an authorized Company collection employee. The Company will accept payment at the Customer's premises in lieu of terminating Service.

(d) Bad Check Charge

The Customer will be charged a handling charge of \$16.00 for each check received by the Company and returned by the bank for insufficient funds in the Customer's account.

13. USE OF ELECTRICITY

(a) No other power supply shall be connected with the Company's facilities, except by written consent of the Company.

(b) Because the Company's facilities used in supplying electricity to the Customer have a definite limited capacity and can be damaged by overloads, the Customer shall give adequate notice to the Company and obtain the Company's written consent before making any substantial change in the amount or use of the load connected to the Company's Service.

(c) The Customer shall not use electricity in any manner which will be detrimental to the Company's supply of electricity to other Customers. The Company reserves the right, but shall have no duty, to determine the suitability of apparatus, or appliances to be connected to its Service by the Customer, and to refuse to continue to supply electricity if it shall determine that the operating of such apparatus or appliances may be detrimental to its general supply of electricity.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

14. INTERRUPTION TO SERVICE SUPPLIED BY THE COMPANY

The Company will use reasonable diligence in providing regular and uninterrupted Service, but the Company shall not be liable for any loss, cost, damage or expense to any Customer occasioned by any failure to supply electricity according to the terms of the contract, or by any interruption or reversal of the supply of electricity, if such failure, interruption or reversal shall be due to the elements, public enemies, strikes, or order of Court, which are beyond the control of the Company, or any cause except willful default or neglect on its part.

The Company may, without liability therefore, interrupt or limit Service to any or all Customers whenever such action is indicated in order to prevent or limit any actual or threatened instability or disturbance on the electric system of the Company or any electric system interconnected with the Company.

15. DISCONTINUANCE OF SERVICE

Agreements are not transferable without the Company's consent. Whether or not there is a written agreement, upon the Customer's discontinuance of Service, he shall remain responsible until the Company receives notice of discontinuance for any Service supplied to the premises formerly occupied by the Customer, and shall remain responsible for minimum charges and/or other obligations contracted for.

16. COMPANY'S RIGHT TO DISCONNECT ELECTRIC SERVICE

(a) The Company reserves the right to disconnect electricity to a Customer, at any time without notice, upon the occurrence of any one or more of the following events:

1. Whenever the Company, in its opinion, has reasonable cause to believe that the Customer is receiving electricity without paying for it, or that the meter, wires, or other apparatus have in any manner been tampered with.
2. Whenever, in the Company's opinion, the condition of the Customer's wiring, equipment and appliances is either unsafe or unsuitable for receiving electricity, or when the Customer's use of electricity or equipment interferes with or may be detrimental to the supply of electricity by the Company to any other Customer.
3. Where electricity is being furnished over a line which is not owned or leased by the Company, whenever, in its opinion, such line is either not in a safe and suitable condition or is inadequate to receive electricity.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

16. COMPANY'S RIGHT TO DISCONNECT ELECTRIC SERVICE (Concluded)

4. Whenever in the opinion of the Company it is necessary to prevent fraud upon the Company.

(b) The Company reserves the right to disconnect electricity to a Customer, after 10 days written notice from the Company to the Customer, upon the occurrence of one of the following events:

1. For nonpayment of past due Company Charges.
2. For failure to comply with any of the Company's Terms and Conditions as filed with the Commission, or with any of the conditions or obligations of any agreement with the Company for the purchase of electricity.
3. Whenever the Customer has denied a Company representative access to the meter, wires or other apparatus installed on the Customer's premises.

(c) The Company will disconnect the supply of electricity to a Customer whenever requested by any public authority having jurisdiction.

(d) The Company reserves the right to disconnect the supply of electricity under any of the above conditions irrespective of any claims of a Customer pending against the Company, or any amounts of money on deposit with the Company as required by these Terms and Conditions.

(e) Notice of disconnection shall be considered to be given a Customer when copy of such notice is left with the Customer, or left at the premises where his bill is rendered, or posted in the United States mail addressed to the Customer's last post office address shown on the records of the Company.

(f) Whenever the supply of electricity is disconnected in accordance herewith, the Company shall not be liable for any damages, direct or indirect, that may result from such disconnection. In all cases where the supply of electricity is disconnected by reason of violation by the Customer of any of the provisions hereof or of any Agreement with the Company for the purchase of electricity, there shall then become due and payable, in addition to the bills for Company Charges in default, an amount equal to the monthly minimum charge for the unexpired term of the Agreement, not as a penalty, but in lieu of the income reasonably to be expected during the unexpired term of the Agreement.

(g) Cancellation according to terms of the Agreement or by mutual consent.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

17. COMPANY'S RIGHT TO DISCONTINUE ELECTRIC SERVICE

The Company endeavors to provide uninterrupted Service to its Customers and gives advance notice of interruptions and discontinuances required for normal schedule operation and maintenance activities. However, the Company reserves the right to discontinue the supply of Service without advance notice when such discontinuance is caused by unavoidable shortages, interruptions in the Company's source of supply or emergency repairs, alterations and extensions.

18. RECONNECTION OF THE SUPPLY OF ELECTRICITY

(a) If the supply of electricity has been disconnected for any of the reasons covered by Rule 16, "Company's Right to Disconnect Electric Service", the Company shall have a reasonable period of time in which to reconnect the Customer's Service after the conditions causing disconnection shall have been corrected.

(b) If the supply of electricity has been disconnected because of improper use, nonpayment, or if, in the Company's opinion the meter or wires or other apparatus have been tampered with, the Company may refuse to reconnect the Customer's Service until the Customer shall have:

1. Paid all delinquent Company Charges,
2. Paid to the Company an amount estimated by the Company to be sufficient to cover the Company Charges for electricity used but not recorded by the meter and not previously paid for,
3. Made such changes in wiring or equipment as may in the opinion of the Company be proper for its protection, and
4. Paid reconnection charge as set out in (d) below.
5. Paid a security deposit if requested by the Company.

(c) If the supply of electricity has been disconnected by the Company at the request of any public authority having jurisdiction, the Customer's Service will not be reconnected until authorization to do so has been obtained from said public authority.

(d) Where the Company has disconnected Service for nonpayment of a bill or for other reasons listed in Rule 16, "Company's Right To Disconnect Electric Service", the Customer may be required to pay a security deposit as outlined in Rule 7, "Deposit for Service." The Customer shall pay the following reconnection charge as a condition of resuming Service at the same location or at a different location:

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

18. RECONNECTION OF THE SUPPLY OF ELECTRICITY (Concluded)

1. When Service is disconnected at the meter

\$16.00 for reconnection made during regular or extended working hours, or

\$85.00 for reconnection made after regular working hours requiring employee to be called to duty for the purpose of making said reconnection.

2. When Service is disconnected other than at the meter

Service will normally be disconnected at the meter. However, when another means of disconnection is necessary, the actual cost will be the reconnection charge, but not less than the amount in 18.(d)(1.) above.

19. PROVISIONS COVERING THE EXTENSION OF COMPANY'S FACILITIES

The extension of the Company's distribution facilities for supplying electric energy either overhead or underground to a Customer or group of Customers will be made under the provisions of Rate Schedule "E" subject to any applicable rules of the State Corporation Commission, provided that the Company reserves the right to refuse to make an extension of its facilities, or to reinforce its facilities, or to take title to and assume responsibility for the future maintenance and replacement of facilities built by another and offered to the Company, when by so doing the Company is required to assume an unusual financial risk or burden, or is required to introduce a hazard to the Service of other Customers, or incur extraordinary losses of electric energy or to suffer excessive operating, maintenance and replacement costs.

20. TESTING SCHEDULE FOR WATTHOUR METERS

Before being installed for the use of any Customer, every meter, whether new, repaired or removed from Service for any cause, shall be in good order, and shall be adjusted so as to register as nearly 100% correct as practicable on light load (5% to 10% of rated test current of the meter) and on full load or rated test current of the meter. Full load shall mean not less than 65% nor more than 110% of rated test current. Whenever on installation, periodic or any other test, a meter is found to be in error exceeding 2%, plus or minus, it will be adjusted so as to register as nearly 100% correct as practicable at light load and full load and be without creep.

(a) Self contained single phase alternating current meters in service shall be tested using a sampling procedure acceptable to the Commission. The procedure will be used in the selection of single phase meters and three wire network meters for test each year.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

20. TESTING SCHEDULE FOR WATTHOUR METERS (Concluded)

(b) Self-contained polyphase meters in service and polyphase or single phase meters in service when used with instrument transformers shall be tested as follows:

1. Self-contained polyphase meters, at least once every six years.
 2. Transformer operated single phase meters, at least once every eight years.
 3. Transformer operated polyphase meters, at least once every four years.
 4. Demand meters associated with the above shall be tested on the same schedule as their companion watthour meters, except that pulse-operated demand meters shall be tested at least once every two years.
- (c)
1. When a meter is tested and found to be no more than 2% fast or slow, no adjustment shall be made in the Customer's bill.
 2. When the meter is tested and found to be more than 2% fast or slow, the Company shall recalculate the Customer's bill either for a period equal to one-half (1/2) of the time elapsed since the last previous test, but in no case shall the rebilling period exceed twelve (12) Months; or a period from the time at which the error first developed or occurred, provided that such time can definitely be fixed.
 3. The error used in recalculating the Customer's bill shall be equal to one-half (1/2) of the algebraic sum of the meter accuracy at high and low loads as shown by the results of the meter test.
 4. Credit will be allowed to the Customer or the Company will bill the Customer only if the recalculated bill, using an average error of more than 2% fast or slow, results in \$1.00 difference or more over the original billing for the re-billing period.
 5. The Company is under no obligation, legal or regulatory, to replace any properly functioning meter in service.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

21. REQUEST METER TEST

The Company shall provide one free meter test during any twenty-four Month period for any Customer requesting same. For each additional test requested during such period, the Customer shall be required to deposit with the Company, a deposit of \$20.00 for a single phase meter, or \$40.00 for a polyphase meter to offset the cost of such test. If any additional requested test made during the aforesaid period reveals meter registration that is greater than 102%, or is less than 98%, of actual consumption, the deposit required herein shall be refunded; otherwise, the deposit shall be retained by the Company for the purpose aforesaid.

(a) The Customer, or his representative, may be present when his meter is tested.

(b) A written report of the results of the test shall be made to the Customer within 10 days after completion of the test.

22. IMPOSED RELOCATIONS OR UNDERGROUNDING

(a) When the Company is required by any political subdivision of the State or the United States, or any agency thereof, to place new facilities underground or to relocate existing facilities underground, or to otherwise relocate existing facilities, and the Company has not been otherwise compensated, the cost of such placement or relocation shall be recovered by the Company in the manner hereinafter provided.

(b) The political subdivision or agency which imposes the requirement for relocation or undergrounding shall pay the incurred cost thereof in advance. In the absence of such payment, the Company may recover, within a period of five years, such incurred cost by means of a surcharge applied upon the bills of all Customers whose electric Points of Service are situated within the political subdivision.

23. CHANGING COMPETITIVE SERVICE PROVIDERS

(a) The Competitive Service Provider must notify its Customers that by signing up for Competitive Energy Service with the Competitive Service Provider, the Customer is consenting to the disclosure by the Company to the Competitive Service Provider of certain basic information about the Customer. At a minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's Company account number, data about meter readings, rate class and electric usage, the Customer's name, address(es) and telephone number, or as otherwise may be consistent with applicable Commission Orders, Rules, and Regulations.

(b) In order to initiate Competitive Energy Service, the Competitive Service Provider will obtain appropriate authorization from the Customer, or from the Person authorized to act on the Customer's behalf, indicating the Customer's choice of Competitive Service Provider in accordance with applicable Commission Orders, Rules, and Regulations.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

23. CHANGING COMPETITIVE SERVICE PROVIDERS (Continued)

1. Authorization Record. It is the Competitive Service Provider's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission. The authorization shall include the Customer's acknowledgement that the Customer has received the notice as described in Section 23(a).
2. The Competitive Service Provider shall provide an electronic file to the Company, containing information in accordance with this Tariff or applicable Commission Orders, Rules, and Regulations. Upon receipt of the electronic file from the Competitive Service Provider, the Company will confirm receipt of the file. Within one (1) business day of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number) and any information the Competitive Service Provider can use to identify rejected records.
3. Enrollment transactions must be received at least fifteen (15) days prior to the Customer's next regularly scheduled meter read date to be effective on that meter read date. Enrollment transactions received less than fifteen (15) days prior to the Customer's next regularly scheduled meter read date will be effective on the Customer's subsequent regularly scheduled meter read date. In the event that multiple enrollment requests are submitted regarding the same Customer within the same enrollment period, the Company shall process the last request submitted and reject all others for the same enrollment period. All electronic transactions associated with the enrollment processing must be performed in accordance with this Tariff and applicable Commission data exchange standards, rules and regulations.

(c) If a Customer contacts a new Competitive Service Provider to request a change of Competitive Service Provider and the new Competitive Service Provider agrees to serve the Customer, the Customer's new Competitive Service Provider shall obtain appropriate authorization from the Customer or Person authorized to act on the Customer's behalf indicating the Customer's choice of Competitive Service Provider, and shall thereupon follow the same procedures for enrollment of Customer as for the initial Competitive Energy Service. Once the process is complete, the Company will electronically notify the Customer's current Competitive Service Provider that the Customer has elected to terminate Competitive Energy Service from that Competitive Service Provider.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

23. CHANGING COMPETITIVE SERVICE PROVIDERS (Concluded)

(d) Customer Rescission of Change. Normally within one (1) business day of receiving an enrollment change, the Company will send a confirmation letter informing each Customer that the Customer's current Competitive Service Provider is being changed. Included in this letter shall be notification of a rescission period in which the Customer may contact the Company to cancel its selection of a new Competitive Service Provider. The rescission period shall be ten (10) days and shall commence upon the Company's receipt of the electronic file from the Competitive Service Provider. The confirmation letter shall include the Customer's name, address, Company account number, identity of selected Competitive Service Provider, and scheduled Competitive Energy Service effective date. If the rescission period expires, and the Customer has not contacted the Company to rescind the Competitive Service Provider selection, the selected Competitive Service Provider will become the Competitive Service Provider of record on the Customer's next or subsequent regularly scheduled meter read date (in accordance with the 15-day provision above). If the Customer elects to rescind its Competitive Service Provider selection, the Company will notify the rejected new Competitive Service Provider electronically. In the event the Customer rescinds its Competitive Service Provider selection after the rescission period, the Customer will be advised that the rescission period has expired and a switch must be requested via the normal selection process.

(e) The Competitive Service Provider acknowledges and agrees that the Company will give effect to all Customer requests to change to a new Competitive Service Provider, and consequently the most recent Customer designation of a Competitive Service Provider, for which the procedures under Section 23(c) have been completed, will be given effect by the Company.

(f) Except in the event of the default of the Customer's Competitive Service Provider, the Company shall not be obligated to honor a Customer request to process a notice of change of the Customer's selected Competitive Service Provider more frequently than once every Month. For purposes of these standard Rules and Regulations, default by a Competitive Service Provider shall mean a failure to deliver electric energy as defined in Commission Rules.

(g) The Company shall change the Customer's Competitive Service Provider upon receipt of an electronic notification from the chosen Competitive Service Provider. The Company will assign an energy flow start date for the Customer's choice of Competitive Service Provider received after the Customer Choice Start Date to be equal to the Customer's first regularly scheduled meter reading date no sooner than fifteen (15) days after the date of processing. Changes in Competitive Energy Service will become effective on the Customer's regularly scheduled meter reading date, regardless of whether the meter reading is actual or estimated.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

24. COMPETITIVE SERVICE PROVIDER BILLING AND PAYMENT

(a) Billing. When the Company provides billing for Competitive Energy Services on behalf of a Competitive Service Provider, the Company:

1. will accept and rely on the representation of the Competitive Service Provider as to the Competitive Energy Service amounts supplied to the Company by the Competitive Service Provider;
2. will have no responsibility to verify the appropriateness of such amounts, or to resolve any disputes or disagreements over the amount, timing or any other aspect of the billing or payment of Competitive Energy Services, other than to confirm amounts billed to the Customer, amounts received from the Customer and amounts remitted to the Competitive Service Provider;
3. will provide the functions of collection and remittance of funds only as a conduit of those funds from the Customer to the Competitive Service Provider;
4. will not be responsible for any default or failure to provide Competitive Energy Service or failure to pay for Competitive Energy Service as a consequence of its performance of this role;
5. will not be required to include natural gas Competitive Energy Service charges; and
6. will not be required to receive Competitive Energy Service charges for one Customer account from more than one Competitive Service Provider for the same billing period.

(b) Payments To The Company. Payments to the Company will be applied to the Customer's account in the following sequence for all of the items that apply at the time of receipt of the Customer's payment.

1. Company tariffed charge arrearages, any associated interest and unpaid fees or charges.
2. Competitive Service Provider arrearages, and any associated fees or interest
3. Company current tariffed charges.
4. Competitive Service Provider current charges.
5. Charges for items other than electric Services.

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

24. COMPETITIVE SERVICE PROVIDER BILLING AND PAYMENT (Concluded)

(c) Non-Payment or Partial Payment. Customers who shop for Competitive Energy Services will be considered by the Company to be delinquent in the payment of their bill if the Company's charges for electric Service remain unpaid at the time they are due. Delinquent bills will be subject to the Company's termination provisions for non-payment, and may result in the imposition of late payment fees and the initiation of electric Service termination procedures for non-payment. The Company will not initiate its electric Service termination procedures for non-payment of charges payable to a Competitive Service Provider.

(d) Late Payment Fees. The Company may impose late payment fees in accordance with its procedures on the portion of the bill that is ultimately due to the Company, excluding any amount it has billed to the Customer on behalf of a Competitive Service Provider.

(e) Collection Activity. The Company is not responsible for collection or purchase of accounts receivable by the Competitive Service Provider.

25. DEFAULT SERVICE

(a) General

Default Service Customers are defined as those Customers who either:

1. Contract for Competitive Energy Service with a Competitive Service Provider, and it is not delivered;
2. Cannot arrange for Competitive Energy Service from a Competitive Service Provider;
3. Do not choose a Competitive Service Provider;
4. Choose the Default Service; or
5. Have been denied Competitive Energy Service or referred to Default Service by a Competitive Service Provider because of a delinquent account.

ISSUED BY REGIS F. BINDER, VICE PRESIDENT

Issued May 2, 2003

Effective July 1, 2003

Issued under Order of the S.C.C. dated 8/21/2002 in Case No. PUE-2001-00297

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

25. DEFAULT SERVICE (Continued)

(b) Return To Default Service

This Section applies when the Company is the provider of Default Service. If a Customer contacts the Company to request a change from the Competitive Service Provider to the Company's Default Service, the Company will process the request in accordance with the same procedure outlined in Section 23. The Company will send the Customer a confirmation letter notifying the Customer of the right to rescind the request. If the Customer does not contact the Company to rescind within the rescission period, then the Company will complete the request. The effective date of the request will be determined in accordance with Section 23(b)(3) and the Company will become the Default Service provider of record in accordance with applicable Commission Orders, Rules, and Regulations. The Company will notify the Customer's current Competitive Service Provider of the discontinuance of Competitive Energy Service to the Customer from that Competitive Service Provider. The Competitive Service Provider acknowledges that the Company will accept Customer requests to switch to Default Service via a telephone call to the Company's Customer Service Center, and that a signed contract confirming the Customer has requested to switch to Default Service will not be required of the Customer. The Company will use its best efforts to assure the integrity of such verbal Customer requests.

Any Customer who chooses to receive Competitive Energy Service from a Competitive Service Provider shall have the right to return to Default Service.

Customers with a peak demand of 500 kW and greater during the most recent 12 Months returning to Default Service shall be required to remain a Default Service Customer for a minimum of twelve (12) Months after such return.

(c) Customer Termination of Service at Existing Account. If a Customer contacts the Company to discontinue electric Service, the Company will notify the current Competitive Service Provider of the Customer's discontinuance of Service for the account at the Customer's location. If available, the Company will provide the Competitive Service Provider that served the Customer at the old location with the Customer's new mailing address or forwarding address.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

Issued January 7, 2002

Effective for all bills
rendered on and after
January 8, 2002

RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

25. DEFAULT SERVICE (Concluded)

(d) Competitive Service Provider Discontinuance. When initiating the discontinuance of Competitive Energy Service to Customers, the Competitive Service Provider must comply with the notification requirements of the Commission and submit a valid 'drop' transaction to the Company at least fifteen (15) days prior to the Company's regularly scheduled meter read date for which the drop transaction is to be effective. The Company will send a notification letter, normally within five (5) business days, informing each Customer that the Customer's current Competitive Service Provider is discontinuing Competitive Energy Service. This notification letter shall inform each Customer of the opportunity to select another Competitive Service Provider, or return to the provisions of the Company's Default Service.

A Competitive Service Provider must provide the Company, affected Customers and the Commission sixty (60) days advanced written notice of its intent to discontinue Competitive Energy Service to an entire class of Customers.

(e) Effective Date of Discontinuance. Any discontinuance will take effect on a regularly scheduled meter read date and in accordance with the provisions of the Agreement that governs a retail Customer's change of Competitive Service Provider.

(f) Customer Number Change. If the Company elects to change the account number for a Customer receiving Competitive Energy Service from the Competitive Service Provider, the Company will notify the Competitive Service Provider of the change in account number at the same Customer location, via electronic file.

(g) Full Requirements Service Provision. The Competitive Service Provider shall agree to supply full requirements Competitive Energy Service for each of its Customers at each Customer account enrolled. Partial requirements or split Competitive Energy Service will not be permitted.

26. CUSTOMER AGGREGATION

Customers may be aggregated for purpose of negotiating for the purchase of Competitive Energy Service from a Competitive Service Provider. Aggregation of Customers is not restricted by the number or class of Customers within an aggregated group. Accordingly, any Customer may be represented by an Aggregator. However, an Aggregator is not a Customer, but rather an agent for aggregated Customers. Such aggregated Customers will continue to be treated as individual Customers of the Company for billing purposes under their otherwise applicable Rate Schedules. Combinations of meter registrations of aggregated Customers will not be permitted. No charge of a tariffed service will be affected by a Customer's aggregation status, and aggregation of load cannot be used for qualification under a tariff.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

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RULES AND REGULATIONS COVERING THE SUPPLY OF ELECTRIC SERVICE

27. REPLACEMENT POWER SERVICE FOR SELF-GENERATORS

Service for Standby (Back-Up) or Maintenance purposes is available under the Company's Alternative Generation Schedule, Schedule "AGS". Retail Customers, who sell any portion of their on-site, self-generation into the market, may not replace that generation with supplementary Service supplied under any schedule in this Tariff. Such replacement power service will be provided at a rate determined by contract.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

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