

ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS"

(C)

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

DETERMINATION OF DEMAND

Demand or kW demand noted in this schedule shall be the kW demand integrated over the demand interval. Demand interval shall be of the same duration specified in the rate schedule under which standard service is provided the Customer. If standard service is not provided by the Company, the demand interval shall be 15 minutes.

TYPES OF SUPPLY

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

- (1) The most recent three billing periods each of which contains at least one demand interval period during which alternative generation occurred and no Standby or Maintenance Power was used will be selected and the total number of such demand intervals which occur in those periods shall be identified;
- (2) The net kWh of alternative generation for all the intervals identified in (1) shall be totaled;
- (3) The net kWh totaled in (2) shall be divided by the quantity (total number of intervals ÷ intervals per hour) to obtain the average kW of normal alternative generation.

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

(C) INDICATES CHANGE

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ISSUED BY
MICHAEL P. MORRELL, VICE PRESIDENT

ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS" (Continued)

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

- (1) In each calendar year, Firm Maintenance Power may be made available not more than 70 days during the periods from March 15 to May 31, inclusive, or from September 15 to November 30, inclusive.
- (2) Availability of Firm Maintenance Power shall be determined by the Company upon the Customer's written request at least 30 days but not more than 120 days in advance of the date the Customer wishes to begin receiving such power. The Company shall notify the Customer whether Firm Maintenance Power will be available during the period requested, and if not, when Firm Maintenance Power will be available.
- (3) If the Customer is informed by the Company that Firm Maintenance Power will not be available as requested, the Customer may elect to take Interruptible Maintenance Power for the period for which Firm Maintenance Power will not be available, provided that the Customer gives the Company seven days advance written notice thereof. In no event, however, may the number of days upon which Firm or Interruptible Maintenance Power is taken exceed a total of 70 in a calendar year.
- (4) If the Customer ceases use of Maintenance Power before the end of the scheduled period, the Customer must notify the Company by telephone and send or deliver a notice in writing to the Company no later than one business day after the Customer ceases such use.
- (5) All requests for Firm Maintenance Power and notices of Interruptible Maintenance Power must specify the kilowatt capacity required, as well as the beginning and the end of the Maintenance Power period.
- (6) The Company shall not supply Maintenance Power in excess of the normal alternative generation for the billing period.
- (7) During any period that Firm Maintenance Power is made available, the Maintenance Power Agreement Capacity shall be the capacity of Firm Maintenance Power expressed in kilowatts that the Company agreed to deliver to the Customer during that period.
- (8) During any period that Interruptible Maintenance Power is used by the Customer, the Maintenance Power Agreement Capacity shall be the capacity expressed in kilowatts of Interruptible Maintenance Power specified in the Customer's written notice of Interruptible Maintenance Power use.

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

- (1) The Customer must contract in advance for either Firm or Interruptible Standby Power, but not both, and an initial Standby Power Agreement Capacity must be specified by the Customer and approved by the Company before delivery of Standby Power.
- (2) Interruptible Standby Power will be available only to Customers who contract for at least 5,000 kW thereof.
- (3) Standby Power will not be provided for more than 20% of the hours in any twelve-month period. After those hours of Standby Power have been exhausted, any power supplied, unless determined by the Company to be Maintenance Power, will be billed to the Customer as Supplementary Power. If the Customer has not previously contracted for Supplementary Power, such Supplementary Power shall be billed as a temporary service under General Service Rate Schedule "E."
- (4) The Customer shall be deemed to have used Standby Power for any demand interval during which: a) Maintenance Power was scheduled; and b) the demand created exceeds the sum of the then effective Maintenance Power Agreement Capacity and kilowatt portion of the Customer's Supplementary Power Demand.
- (5) The three-month period beginning on the date the alternative generation facilities first operate in parallel with the Company's facilities shall not be used in the determination of the number of Standby Power hours used by the Customer.
- (6) The Customer must notify the Company by telephone and send or deliver a follow-up notice in writing within one business day of the beginning of an unscheduled outage of the Customer's facilities requiring the use of Standby Power. Such notice shall specify the time the outage began, the cause of the outage, and its estimated duration. At the end of such an unscheduled outage, the Customer must notify the Company by telephone and send or deliver a notice in writing to the Company within one business day of the end of the outage. Such notice shall include the final determination of the outage cause and duration. The Company may require verification of the cause of the unscheduled outage.
- (7) If a Standby Power Billing Demand is established which is greater than the Standby Power Agreement Capacity, the Standby Power Agreement Capacity shall automatically be increased to that greater value.
- (8) The Company shall not provide Standby Power in excess of the normal alternative generation for the billing period.

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ALTERNATIVE GENERATION SCHEDULE
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INTERRUPTIBLE POWER PROVISIONS

Obligations

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

Penalty

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

MONTHLY RATE

Demand Charge

| | | <u>Service Voltage</u> | | |
|--------------------|---|------------------------|-----------------------|---------------------|
| | | <u>0-15,000</u> | <u>15,000-100,000</u> | <u>Over 100,000</u> |
| Firm Standby Power | | | | |
| | First 100 Kilowatts of Standby Power | | | |
| (D) | Billing Demand or Less Net per KW | \$3.318 | \$2.332 | \$1.845 |
| | Additional Kilowatts of Standby Power | | | |
| (D) | Billing Demand Net per KW | 2.762 | 1.774 | 1.285 |
| | All Kilovars of Standby Reactive | | | |
| | Kilovolt-Ampere Demand in Excess of | | | |
| | 35% of the Current Kilowatt Standby | | | |
| | Power Billing Demand Net per Kilovar..... | 0.40 | 0.40 | 0.40 |

(D INDICATES DECREASE

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 RODNEY L. DICKENS, PRESIDENT

ALTERNATIVE GENERATION SCHEDULE
 SCHEDULE "AGS" (Continued)

| | | <u>Service Voltage</u> | | |
|---|---|---------------------------------|-----------------------|---------------------|
| | | <u>0-15,000</u> | <u>15,000-100,000</u> | <u>Over 100,000</u> |
| Interruptible Standby Power | | | | |
| | First 100 Kilowatts of Interruptible | | | |
| (D) | Standby Power Billing Demand Net per KW..... | \$3.170 | \$2.184 | \$1.697 |
| | Additional Kilowatts of Interruptible | | | |
| (D) | Standby Power Billing Demand Net per KW..... | 2.614 | 1.625 | 1.137 |
| | All Kilovars of Standby Reactive | | | |
| | Kilovolt-Ampere Demand in Excess of | | | |
| | 35% of the Current Kilowatt Interruptible | | | |
| | Standby Power Billing Demand Net per Kilovar..... | 0.40 | 0.40 | 0.40 |
| Firm or Interruptible Maintenance Power | | | | |
| | All Kilowatts of Maintenance Power | | | |
| (D) | Billing Demand Net per KW | \$2.614 | \$1.625 | \$1.137 |
| | All Kilovars of Maintenance Reactive | | | |
| | Kilovolt-Ampere Demand in Excess of | | | |
| | 35% of the Current Kilowatt Maintenance | | | |
| | Power Billing Demand Net per Kilovar..... | 0.40 | 0.40 | 0.40 |
| Energy Charge | | | | |
| (I) | All Standby and Maintenance Kilowatt-hours..... | \$0.25836 net per kilowatt-hour | | |

TERMS OF PAYMENT

Bills are due and payable upon presentation. A late payment charge of 2% of the net bill will be added to each bill not paid in full within 20 days from the date mailed.

DETERMINATION OF DEMANDS

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

(D) INDICATED DECREASE

(I) INDICATES INCREASE

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ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS" (Continued)

(C)

Power Demands

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

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

The demand for each period shall be the highest of:

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

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ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS" (Continued)

- (C)
- (3) Standby Power Demand shall be either:
- (a) The lesser of:
- (i) The Standby Power Agreement Capacity, or
- (ii) The maximum by which a kilowatt demand created during such intervals of the billing period when Standby Power is used exceeds the sum of the then effective kilowatt portion of the Supplementary Power Demand and Maintenance Power Agreement Capacity.
- or
- (b) For Customers who normally have no supplementary power requirements, the maximum kilowatt demand created during such intervals of the billing period when Standby Power is used.

Power Billing Demands

- (1) Supplementary Power Billing Demand shall be the higher of:
- (a) The Supplementary Power Demand (if multiple Supplementary Power Demands are required due to the applicable standard rate schedule, they shall be combined as specified by that rate schedule), or
- (b) Any minimum demand provisions of the applicable standard rate schedule.
- (2) Maintenance Power Billing Demand shall be the Maintenance Power Demand.
- (3) Standby Power Billing Demand shall be the higher of:
- (a) The Standby Power Demand, or
- (b) 65% of the Standby Power Agreement Capacity.

Customer's Reactive Kilovolt-Ampere Demands

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

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MICHAEL P. MORRELL, VICE PRESIDENT

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in Case No. 99-0261-E-GI

ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS" (Continued)

DETERMINATION OF ENERGY USE

- (1) Supplementary Energy Use shall be the lesser of:
 - (a) The average kilowatt demand during those portions of the billing period when no Maintenance Power or Standby Power is used, or the kilowatt portion of the Supplementary Power Demand if no demand intervals without the use of Maintenance or Standby Power exist in the billing period, multiplied by the quantity (total number of demand intervals in the billing period ÷ demand intervals per hour).
 - (b) The total kilowatthour use.
- (2) Maintenance Energy Use and Standby Energy Use shall be determined by apportioning the total kilowatthour use less the Supplementary Energy Use in proportion to the products of the power demands and the number of hours that the Maintenance or Standby Power is used.

FACILITIES

Any facilities that are installed by the Company solely to provide Standby Power or Maintenance Power service and which have not been included in the Customer's interconnection costs are installed at the Customer's expense. The Customer is responsible for the total cost of construction plus a monthly maintenance charge for those facilities. Any facilities, including relays and their settings, installed by Customer for the purpose of connecting to the Company must be specifically approved by the Company prior to the connection being made and must be subject to the Company's continuing approval.

DATA

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

LOCAL TAX ADJUSTMENT

Within municipalities or political subdivisions which impose taxes based upon the amount of electric service sold or revenues received by the Company, as specified in Rule No. 20 of "Rules and Regulations Covering the Supply of Electric Service," there shall be added to the total bill a surcharge equal to the percentage shown on Sheet No. 5-1.

ENVIRONMENTAL CONTROL CHARGE NORMALIZATION SURCHARGE

An Environmental Control Charge Normalization Surcharge shall apply, as outlined on Sheet No. 7-E-1 of this tariff.

(C) ENVIRONMENTAL CONTROL CHARGE / ENVIRONMENTAL CONTROL CHARGE-2

An Environmental Control Charge and Environmental Control Charge-2 shall apply, as outlined on Sheet Nos. 7-F-1 and 7-G-1 of this tariff.

(C) INDICATES CHANGE

Issued: June 30, 2010

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ISSUED BY
RODNEY L. DICKENS, PRESIDENT

THE POTOMAC EDISON COMPANY
Doing Business As
ALLEGHENY POWER

First Revision of
Original Sheet No. 21-9
P.S.C. W. Va. No. 2
Canceling
Original Sheet No. 21-9

ALTERNATIVE GENERATION SCHEDULE
SCHEDULE "AGS" (Concluded)

(C)

TERM

Not less than one year.

GENERAL

Rates and provisions are subject to "Rules and Regulations Covering the Supply of Electric Service."

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