

# Morgan Lewis

**Kenneth M. Kulak**

Partner

+1.215.963.5384

ken.kulak@morganlewis.com

April 20, 2022

## **VIA eFILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Default Service Programs**  
**Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021**

Dear Secretary Chiavetta:

Enclosed for filing in the above-captioned proceedings is the **Joint Petition for Partial Settlement** (“Joint Petition”). The Joint Petition will be served on presiding Administrative Law Judge Watson, and all parties of record as indicated on the Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Kenneth M. Kulak

KMK/tp  
Enclosures

c: Per Certificate of Service (w/encls.)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT PETITION OF</b>	<b>:</b>	<b>DOCKET NO. P-2021-3030012</b>
<b>METROPOLITAN EDISON COMPANY,</b>	<b>:</b>	
<b>PENNSYLVANIA ELECTRIC</b>	<b>:</b>	<b>DOCKET NO. P-2021-3030013</b>
<b>COMPANY, PENNSYLVANIA POWER</b>	<b>:</b>	
<b>COMPANY, AND WEST PENN POWER</b>	<b>:</b>	<b>DOCKET NO. P-2021-3030014</b>
<b>COMPANY, FOR APPROVAL OF</b>	<b>:</b>	
<b>THEIR DEFAULT SERVICE</b>	<b>:</b>	<b>DOCKET NO. P-2021-3030021</b>
<b>PROGRAMS</b>	<b>:</b>	

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served copies of the **Joint Petition for Partial Settlement**, on the persons listed below, in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL & FIRST CLASS MAIL**

Administrative Law Judge Jeffrey A. Watson  
301 5th Avenue  
Piatt Place - Suite 220  
Pittsburgh, PA 15222  
[jeffwatson@pa.gov](mailto:jeffwatson@pa.gov)  
[nmiskanic@pa.gov](mailto:nmiskanic@pa.gov)

**VIA ELECTRONIC MAIL**

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923  
[OCAFEDSP2021@paoca.org](mailto:OCAFEDSP2021@paoca.org)  
[lmyers@paoca.org](mailto:lmyers@paoca.org)

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[pulp@pautilitylawproject.org](mailto:pulp@pautilitylawproject.org)  
*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

Michael A. Gruin  
Linda R. Evers  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
[michael.gruin@stevenslee.com](mailto:michael.gruin@stevenslee.com)  
[linda.evers@stevenslee.com](mailto:linda.evers@stevenslee.com)  
*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

Todd S. Stewart  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
*Counsel for Shipley Choice, LLC  
d/b/a Shipley Energy*

John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001  
[john.white@exeloncorp.com](mailto:john.white@exeloncorp.com)  
*Counsel for Constellation Energy Corporation*

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101  
[efure@pa.gov](mailto:efure@pa.gov)

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230  
[bgreene@greenehurlocker.com](mailto:bgreene@greenehurlocker.com)  
*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

Susan E. Bruce  
Charis Mincavage  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108  
[sbruce@mcneeslaw.com](mailto:sbruce@mcneeslaw.com)  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
West Penn Power Industrial Intervenors*

Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231  
[colleen.kartychak@exeloncorp.com](mailto:colleen.kartychak@exeloncorp.com)  
*Counsel for Constellation Energy Corporation*

John F. Lushis, Jr.  
David Berger  
Norris McLaughlin, P.A.  
515 West Hamilton Street, Suite 502  
Allentown, PA 18101  
[jlushis@norris-law.com](mailto:jlushis@norris-law.com)  
[dberger@norris-law.com](mailto:dberger@norris-law.com)  
*Counsel for Calpine Retail Holdings, LLC*

Deanne M. O'Dell  
Karen O. Moury  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street – 8<sup>th</sup> Floor  
P.O. Box 1248  
Harrisburg, PA 17101  
[dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)  
[kmoury@eckertseamans.com](mailto:kmoury@eckertseamans.com)  
*Counsel for Retail Energy Supply Association and NRG Energy, Inc.*

A. Michael Gianantonio  
Robert F. Daley  
Robert Peirce & Associates, P.C.  
707 Grant Street  
Gulf Tower, Suite 125  
Pittsburgh, PA 15219  
[mgianantonio@peircelaw.com](mailto:mgianantonio@peircelaw.com)  
*Counsel for John Bevec and Sunrise Energy, LLC*

James L. Crist, P.E.  
Lumen Group, Inc.  
4226 Yarmouth Drive, Suite 101  
Allison Park, PA 15101  
[jlcrist@aol.com](mailto:jlcrist@aol.com)  
*Consultant for The Pennsylvania State University*

James Laskey  
Norris McLaughlin, P.A.  
400 Crossing Boulevard, 8<sup>th</sup> Floor  
Bridgewater, NJ 08807  
[jlasky@norris-law.com](mailto:jlasky@norris-law.com)  
*Counsel for Calpine Retail Holdings, LLC*

Thomas J. Sniscak  
Whitney E. Snyder  
Phillip D. Demanchick, Jr.  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)  
[wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)  
[pddemanchick@hmslegal.com](mailto:pddemanchick@hmslegal.com)  
*Counsel for The Pennsylvania State University*

Robert D. Knecht  
5 Plymouth Road  
Lexington, MA 02421  
[rdk@indecon.com](mailto:rdk@indecon.com)  
*Consultant for Office of Small Business Advocate*

Harry S. Geller  
118 Locust Street  
Harrisburg, PA 17101  
[hgeller@pautilitylawproject.org](mailto:hgeller@pautilitylawproject.org)  
*Expert for Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania*



Serhan Ogur  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Suite 300  
Columbia, MD 21044  
[sogur@exeterassociates.com](mailto:sogur@exeterassociates.com)  
*Consultant for Office Consumer Advocate*

Barbara R. Alexander  
Barbara Alexander Consulting, LLC  
83 Wedgewood Drive  
Winthrop, ME 04364  
[barbalexand@gmail.com](mailto:barbalexand@gmail.com)  
*Consultant for Office of Consumer Advocate*

Lael E. Campbell  
V.P., State Governmental Affairs, East  
Exelon Corporation  
101 Constitution Avenue, NW, Suite 400E  
Washington, DC 20001  
[lael.campbell@constellation.com](mailto:lael.campbell@constellation.com)  
*Expert for Constellation Energy Corporation*

Christopher Keller  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street , 2nd Floor West  
Harrisburg, PA 17120  
[chrkeller@pa.gov](mailto:chrkeller@pa.gov)  
*Expert for Bureau of Investigation and Enforcement*

Laura Greenholt-Tasto  
Vice President, Marketing (Shiple Group LP)  
415 Norway Street  
York, PA 17403  
[lgreenholt@shipleenergy.com](mailto:lgreenholt@shipleenergy.com)  
*Expert for Shiple Choice, LLC  
d/b/a Shiple Energy*



---

Kenneth M. Kulak (Pa. No. 75509)  
Catherine G. Vasudevan (Pa. No. 210254)  
Brooke E. McGlenn (Pa. No. 204918)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Telephone No.: 215.963.5384  
Fax No.: 215.963.5001  
[ken.kulak@morganlewis.com](mailto:ken.kulak@morganlewis.com)  
[catherine.vasudevan@morganlewis.com](mailto:catherine.vasudevan@morganlewis.com)  
[brooke.mcglenn@morganlewis.com](mailto:brooke.mcglenn@morganlewis.com)

Dated: April 20, 2022

*Counsel for Metropolitan Edison Company,  
Pennsylvania Electric Company,  
Pennsylvania Power Company, and  
West Penn Power Company*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT PETITION OF METROPOLITAN</b>	<b>:</b>	
<b>EDISON COMPANY, PENNSYLVANIA</b>	<b>:</b>	
<b>ELECTRIC COMPANY, PENNSYLVANIA</b>	<b>:</b>	<b>DOCKET NOS. P-2021-3030012</b>
<b>POWER COMPANY AND WEST PENN</b>	<b>:</b>	<b>P-2021-3030013</b>
<b>POWER COMPANY FOR APPROVAL</b>	<b>:</b>	<b>P-2021-3030014</b>
<b>OF THEIR DEFAULT SERVICE</b>	<b>:</b>	<b>P-2021-3030021</b>
<b>PROGRAMS FOR THE PERIOD</b>	<b>:</b>	
<b>JUNE 1, 2023 TO MAY 31, 2027</b>	<b>:</b>	

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**JOINT PETITION FOR PARTIAL SETTLEMENT**

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**April 20, 2022**

## TABLE OF CONTENTS

	Page
I. BACKGROUND .....	2
II. TERMS AND CONDITIONS OF SETTLEMENT .....	5
A. Procurement And Implementation Plans .....	5
(1) Term.....	5
(2) Procurement Groups .....	6
(3) Residential And Commercial Class Procurement.....	6
(4) Industrial Class Procurement .....	8
B. Supplier Master Agreement .....	9
C. Alternative Energy Portfolio Standards Act Compliance.....	9
D. Contingency Plans .....	10
(1) Full Requirements.....	10
(2) AEPS Requirements.....	11
E. Independent Evaluators.....	12
F. Rate Design And Cost Recovery .....	12
(1) Price To Compare Default Service Rate Rider .....	12
(2) Hourly Pricing Default Service Rider.....	13
(3) Default Service Support Rider.....	13
(4) Solar Photovoltaic Requirements Charge Rider .....	14
(5) Time-of-Use Rates .....	14
(i) TOU Product Structure and Rate Design.....	15
(ii) Customer Eligibility.....	16
(iii) Implementation Plan and Cost Recovery.....	17
(6) Additional Tariff Changes .....	18
G. Customer Referral Program .....	18
H. POR Clawback Charge .....	20
I. CAP Customer Shopping.....	21
J. Third-Party Data Access Tariff.....	22
K. Additional Settlement Terms .....	23
III. THE SETTLEMENT IS IN THE PUBLIC INTEREST .....	24
IV. ADDITIONAL TERMS AND CONDITIONS .....	25

## **EXHIBITS**

- Exhibit A Bidding Rules for Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products Under Default Service Program DSP VI for Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company
- Exhibit B Procurement Schedule
- Exhibit C Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company Default Service Supplier Master Agreement
- Exhibit D-1 Revised Metropolitan Edison Company Electric Service Tariff (Relevant Pages)
- Exhibit D-2 Revised Pennsylvania Electric Company Electric Service Tariff (Relevant Pages)
- Exhibit D-3 Revised Pennsylvania Power Company Electric Service Tariff (Relevant Pages)
- Exhibit D-4 Revised West Penn Power Company Electric Service Tariff Nos. 38 and 40 (Relevant Pages)
- Exhibit E-1 Revised Metropolitan Edison Company Electric Generation Supplier Coordination Tariff (Relevant Pages)
- Exhibit E-2 Revised Pennsylvania Electric Company Electric Generation Supplier Coordination Tariff (Relevant Pages)
- Exhibit E-3 Revised Pennsylvania Power Company Electric Generation Supplier Tariff (Relevant Pages)
- Exhibit E-4 Revised West Penn Power Company Electric Generation Supplier Coordination Tariff (Relevant Pages)
- Exhibit F Customer Referral Program Agreement
- Exhibit G-1 Metropolitan Edison Company Third Party Data Access Tariff
- Exhibit G-2 Pennsylvania Electric Company Third Party Data Access Tariff
- Exhibit G-3 Pennsylvania Power Company Third Party Data Access Tariff
- Exhibit G-4 West Penn Power Company Third Party Data Access Tariff

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>JOINT PETITION OF METROPOLITAN</b>	<b>:</b>	
<b>EDISON COMPANY, PENNSYLVANIA</b>	<b>:</b>	
<b>ELECTRIC COMPANY, PENNSYLVANIA</b>	<b>:</b>	<b>DOCKET NOS. P-2021-3030012</b>
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<b>OF THEIR DEFAULT SERVICE</b>	<b>:</b>	<b>P-2021-3030021</b>
<b>PROGRAMS FOR THE PERIOD</b>		
<b>JUNE 1, 2023 TO MAY 31, 2027</b>		

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**JOINT PETITION FOR PARTIAL SETTLEMENT**

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**TO THE HONORABLE JEFFREY A. WATSON, ADMINISTRATIVE LAW JUDGE:**

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (individually, a “Company,” and collectively, the “Companies”); the Pennsylvania Public Utility Commission (“Commission”) Bureau of Investigation and Enforcement (“I&E”); the Office of Consumer Advocate (“OCA”); the Office of Small Business Advocate (“OSBA”); the Met-Ed Industrial Users Group (“MEIUG”), the Penelec Industrial Customer Alliance (“PICA”), and West Penn Power Industrial Intervenors (“WPPII”) (collectively, the “Industrials”); Enerwise Global Technologies, d/b/a CPower Energy Management (“Enerwise”); Constellation Energy Corporation (“Constellation”); Shipley Choice, LLC d/b/a Shipley Energy (“Shipley”); the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”); and The Pennsylvania State University (“PSU”) (collectively, the “Joint Petitioners”), by their respective counsel, submit this Joint Petition For Partial Settlement (“Joint Petition” or “Settlement”) and request that the Administrative Law Judge approve the Settlement without

modification.<sup>1</sup> The Joint Petitioners have reserved two issues for briefing involving (i) the relevance of the Companies' treatment of excess energy from customer-generators to this proceeding and (ii) Sunrise's assertions regarding the Companies' calculation of the Price-to-Compare ("PTC") with respect to costs for compliance with Pennsylvania's Alternative Energy Portfolio Standards ("AEPS") Act<sup>2</sup> and the use of loss factors. In support of this Settlement, the Joint Petitioners state as follows:

## I. BACKGROUND

1. On December 14, 2021, the Companies filed the above-captioned Joint Petition (the "DSP VI Petition") requesting that the Commission approve their sixth default service programs (the "Program(s)" or "DSP VI") for the period June 1, 2023 through May 31, 2027 in accordance with the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801 et seq. (the "Competition Act").

2. The Programs set forth in the DSP VI Petition were designed to satisfy the Companies' obligations to furnish adequate and reliable service to default service customers at the least cost over time by procuring a prudent mix of long-term, short-term and spot market generation supplies. As explained in the DSP VI Petition, the Companies proposed to continue most of the existing programs in their fifth default service programs ("DSP V") as approved by the Commission.<sup>3</sup>

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<sup>1</sup> Calpine Retail Holdings, LLC ("Calpine"), the Retail Energy Supply Association ("RESA") and NRG Energy, Inc. ("NRG") and John Bevec and Sunrise Energy, LLC (collectively, "Sunrise"), which are parties to this proceeding, have authorized the Joint Petitioners to represent that they do not oppose the Settlement. In addition, Enerwise supports the provisions in Section J (Third Party Data Access Tariff) of the Joint Petition but takes no position on the other provisions in the Settlement.

<sup>2</sup> 73 P.S. § 1648.1 et seq.

<sup>3</sup> See *Joint Petition of Metro. Edison Co., Pennsylvania Elec. Co., Pennsylvania Power Co., and West Penn Power Co. for Approval of their Default Serv. Programs for the Period Beginning June 1, 2019 through May 31, 2023*, Docket Nos. P-2017-2637855, et al. (Opinion and Order entered Sept. 4, 2018) ("September 2018 Order"). In the September 2018 Order, the Commission approved a partial settlement of the Companies' DSP V proceeding ("DSP V Settlement") and resolved the remaining contested issues, including the residential procurement schedule, continuation of each Company's Customer Referral Program ("CRP"), and shopping by

3. Accompanying their DSP VI Petition, the Companies filed the supporting data required by 52 Pa. Code § 53.52, as well as the prepared direct testimony and accompanying exhibits of: Joanne M. Savage (Met-Ed/Penelec/Penn Power/West Penn Statement No. 1); James H. Catanach (Met-Ed/Penelec/Penn Power/West Penn Statement No. 2); Wanyun Zhong (Met-Ed/Penelec/Penn Power/West Penn Statement No. 3); James D. Reitzes, Ph.D., and Nicholas E. Powers, Ph.D. (Met-Ed/Penelec/Penn Power/West Penn Statement No. 4); Patricia M. Larkin (Met-Ed/Penelec/Penn Power/West Penn Statement No. 5); and Tiffanne L. Cowan (Met-Ed/Penelec/Penn Power/West Penn Statement No. 6).

4. The Companies notified their customers of the DSP VI Petition filing through press releases and published notices in major newspapers in their electric service areas. The notices referred interested persons to the Companies' websites, where a copy of the entire filing was available for review. In addition, the Companies served the DSP VI Joint Petition on the OCA, the OSBA, I&E, PJM Interconnection, LLC ("PJM"), CAUSE-PA, the Industrials, PSU, RESA, and all electric generation suppliers ("EGSs") registered to provide service in the Companies' service areas.

5. On January 1, 2022, the *Pennsylvania Bulletin* published the Commission's Notice setting a deadline for filing protests, complaints or petitions to intervene by January 18, 2022.

6. On January 3, 2022, Administrative Law Judge Jeffrey A. Watson (the "ALJ") issued a Prehearing Conference Order scheduling a Prehearing Conference for January 21, 2022. Petitions to Intervene were filed by Calpine, CAUSE-PA, Constellation, Enerwise, the Industrials, PSU, RESA/NRG, Shipley and Sunrise. The OCA filed a Notice of Intervention and

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customers enrolled in each Company's Customer Assistance Program ("CAP"). On February 28, 2019, the Commission entered a Final Order ("February 2019 Order" and together with the September 2018 Order, the "DSP V Orders") adopting rules and procedures for the CAP shopping programs approved in the September 2018 Order and revising the Companies' CRP scripts.



Public Statement and Answer. The OSBA filed a Notice of Appearance, Notice of Intervention, Public Statement and Answer. I&E filed a Notice of Appearance evidencing its participation in this proceeding.

7. On January 20, 2022, Pursuant to 52 Pa. Code § 5.81, the Companies filed a Motion for Consolidation requesting that the four above-referenced proceedings be formally consolidated into a single proceeding. That Motion was granted on January 27, 2022.

8. A Prehearing Conference was held on January 21, 2022, at which a schedule was established for the submission of testimony and the conduct of hearings. Specifically, and consistent with Commission practice, a schedule was adopted whereby all case-in-chief, rebuttal and surrebuttal testimony would be submitted in writing in advance of hearings. Evidentiary hearings were scheduled for April 13-14, 2022, at which all testimony and exhibits would be placed in the record and all witnesses presented for cross-examination, if any, thereon. The ALJ thereafter issued a Prehearing Order on January 25, 2022 establishing this schedule.

9. On February 25, 2022, CAUSE-PA, Constellation, Enerwise, I&E, the Industrials, OCA, OSBA, RESA/NRG, Shipley and Sunrise submitted a total of eleven written statements and accompanying exhibits. On March 24, 2022, the Companies, CAUSE-PA, Enerwise, OCA, OSBA, PSU, RESA/NRG, and Shipley submitted fifteen statements constituting their rebuttal testimony in this case. Sunrise submitted a statement and accompanying exhibits on March 28, 2022, constituting its second direct testimony in this case. The Companies submitted two supplemental rebuttal statements responding to Sunrise's second direct testimony on April 4, 2022. An additional rebuttal statement was submitted by Sunrise on April 6, 2022. On April 7, 2022, eight surrebuttal statements were submitted by CAUSE-PA, the Industrials, I&E, OCA, OSBA, RESA/NRG and Shipley.

10. After the submission of written testimony, the parties engaged in discussions to try to achieve a settlement of some or all of the issues in this case. As a result of those negotiations, the Joint Petitioners were able to reach the Settlement set forth herein and agree to revised default service programs consistent with the Companies' DSP VI Petition, as modified herein ("Revised DSP VI Programs").

11. A telephonic evidentiary hearing was held on April 13, 2022. At the hearing, the Companies notified the ALJ of the Settlement and the Companies' witnesses James D. Reitzes, Tiffanne L. Cowan and Edward B. Stein presented rejoinder testimony. Following cross-examination of Ms. Cowan and Mr. Stein on their rejoinder testimony, the ALJ admitted into evidence, by stipulation, all previously served statements and exhibits.<sup>4</sup>

12. On April 15, 2022, the ALJ granted the Companies' request to file the Joint Petition on April 20, 2022 without Statements in Support of the Settlement. The Joint Petitioners will submit Statements in Support of the Settlement on May 6, 2022.

13. The Joint Petitioners will address the issues reserved for briefing in Initial Briefs and Reply Briefs due on May 6, 2022 and May 16, 2022, respectively, after the filing of this Joint Petition.

## **II. TERMS AND CONDITIONS OF SETTLEMENT**

14. The Settlement consists of the following terms and conditions:

### **A. Procurement And Implementation Plans**

#### **(1) Term**

15. The Companies' Revised DSP VI Programs shall each have a term of four years, beginning June 1, 2023 and ending May 31, 2027 ("DSP VI Term").

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<sup>4</sup> At the request of the parties, the ALJ canceled the hearing scheduled for April 14, 2022.

## **(2) Procurement Groups**

16. The Companies' default service customers shall be divided into three classes for purposes of default service procurement: the residential class, the commercial class, and the industrial class.

17. The Companies will maintain the same residential, commercial, and industrial class definitions that were approved by the Commission in the DSP V proceeding.

## **(3) Residential And Commercial Class Procurement**

18. Except for the long-term solar procurement discussed in Paragraphs 22 and 23 below, the Companies will procure 100% of the supply required to serve residential and commercial default service customers during the DSP VI Term through a descending clock auction ("DCA") for full requirements service. Winning suppliers will bid on "tranches" corresponding to a percentage of the actual residential and commercial default service customer load and be responsible for fulfilling all the associated requirements of a load serving entity ("LSE") under their agreements with PJM, including energy, capacity, transmission,<sup>5</sup> ancillary services, PJM administrative expenses, as well as providing all necessary alternative energy credits described in Paragraph 33 below for AEPS compliance.

19. The Joint Petitioners agree to the rules for the DCA attached to the Joint Petition as Exhibit A. Exhibit A is a revised version of Met-Ed/Penelec/Penn Power/West Penn Exhibit JHC-2 to reflect the procurement plan and products set forth in this Settlement. Under the

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<sup>5</sup> These transmission requirements exclude Regional Transmission Expansion Plan ("RTEP") charges, Expansion Cost Recovery Charges; Reliability Must Run/generation deactivation charges associated with generating plans for which specific RMR charges begin after July 24, 2014; historical out-of-market tie line, generation, and retail customer meter adjustments; unaccounted for energy; or any Federal Energy Regulatory Commission ("FERC") approved reallocation of PJM RTEP charges related to Docket No. EL05-121-009 (collectively, referred to as "non-market based charges" or "NMB charges"). The Companies will continue to assume these NMB charges for both default service suppliers and EGSs that serve load in the Companies' service areas, and the associated costs will be recovered from customers in a competitively neutral manner through the Companies' non-bypassable Default Service Support ("DSS") Riders.

Revised DSP VI Programs, the Companies will employ a 50% load cap for fixed-price product auctions and a 75% load cap for hourly-pricing product auctions.

20. Each residential tranche is a fixed-price full requirements, load-following product. The fixed price will be established through the Companies' DCAs.

21. For the first year of the DSP VI Term, contracts for 76% of the residential class load will have terms of 12 months, and contracts for the remaining 24% will have terms of 24 months. Beginning on June 1, 2024, contracts for 51% of the residential class load will have terms of 12 months, and contracts for the remaining 49% will have terms of 24 months.

22. During the DSP VI Term, the Companies will also procure – through multi-year, fixed-price power purchase agreements (“PPAs”) – the energy and solar photovoltaic alternative energy credits (“SPAECs”) generated by one or more new in-state solar photovoltaic projects with total capacity of at least 7 MW and up to 20 MW. The winning project(s) will be selected through a competitive procurement process. The energy generated by the selected project(s) will be paired with spot purchases to satisfy a fixed quantity of residential default service load.

23. The Joint Petitioners agree to the use of the RFP rules for solar procurements and the form of PPA, which each winning bidder will be required to execute, set forth in Met-Ed/Penelec/Penn Power/West Penn Exhibit JHC-6.

24. The full requirements contracts for the commercial class will include a fixed price for 100% of the supply and will be procured through DCAs in the same manner and at the same time as the residential class.

25. For the first year of the DSP VI Term, the commercial class full requirements product mix will be comprised of 12-month contracts (74%) and 24-month contracts (26%). For the second year of the DSP VI Term, the commercial class full requirements product mix will be comprised of 12-month contracts (49%) and 24-month contracts (51%). Beginning on June 1,

2025, contracts for 51% of the commercial class load will have terms of 12 months, and contracts for the remaining 49% will have terms of 24 months.

26. Each of the residential and commercial full requirements products will be procured through semi-annual auctions in April and November each year, and the first auction of the DSP VI Term will be held in November 2022. West Penn's Network Integration Transmission Service ("NITS") rates are scheduled to be published on or before October 31 of each calendar year or the next business day thereafter. As such, the Companies will ensure that their November auctions are held no earlier than one week following posting of this data.

27. The procurement schedule for the residential and commercial class contracts are set forth in Exhibit B. Exhibit B is a revised version of Met-Ed/Penelec/Penn Power/West Penn Exhibit JHC-1. As shown on Exhibit B, the "hard stop" at May 31, 2027 originally proposed by the Companies will be replaced with overhanging full requirements contracts that cover the period of June 1, 2027 through May 31, 2028 (the first year of the Companies' seventh default service programs).

#### **(4) Industrial Class Procurement**

28. The industrial class product is an hourly-priced service product based upon PJM real-time zonal hourly market prices. Suppliers will bid for the right to serve a portion of the hourly-priced service load for twelve-month terms. Winning suppliers will be paid the winning price bid in the hourly-priced auction, the hourly PJM real time zonal locational marginal price ("LMP"), and a fixed adder of \$4/MWh to capture the estimated costs of other supply components, including capacity, ancillary services, AEPS compliance and other costs.

29. The Companies will procure default service supply for the industrial class load annually as shown on Exhibit B.

## **B. Supplier Master Agreement**

30. Attached as Exhibit C to the Joint Petition is the form of the Supplier Master Agreement (“SMA”) that each Company will execute with wholesale suppliers that are successful bidders in the Companies’ default service supply procurements.

31. The Joint Petitioners agree to the following changes to the Companies’ current Commission-approved SMAs: (1) modifications to reflect the changes in default service supplier responsibility for AEPS compliance discussed in Paragraphs 33 and 34 below; (2) the addition of several protections against supplier default, including an Independent Credit Requirement Per Tranche for winning bidders; and (3) revisions to introduce a capacity proxy price (“CPP”) in the Companies’ auctions in the event PJM does not conduct a base residual auction (“BRA”) discussed in Paragraphs 38 and 39 below.

32. Exhibit C is a revised version of Met-Ed/Penelec/Penn Power/West Penn Exhibit WZ-1R to reflect an independent credit threshold for suppliers based on the credit ratings of the supplier or its guarantor and clarifications on the application of the CPP set forth in the Settlement.

## **C. Alternative Energy Portfolio Standards Act Compliance**

33. For DSP VI, the Companies will satisfy most of their AEPS Act requirements as part of the solicitation of default service supply. Under the SMA, winning suppliers of full-requirements default service products in the Companies’ service territories will be responsible for meeting all Tier I and Tier II requirements, including solar photovoltaic requirements, with two exceptions described in this Settlement.

34. The Joint Petitioners agree that in the first year of the DSP VI Term, Met-Ed, Penelec, and Penn Power will continue to allocate SPAECs obtained through existing long-term contracts that expire on May 31, 2024 to default service suppliers and EGSs on a load ratio basis.

In addition, the Joint Petitioners agree that the SPAECs that the Companies purchase through their proposed solar PPAs will be allocated to default service suppliers in proportion to the amount of residential load served over the course of the energy year.

35. The Companies will provide in each transaction confirmation a quantity of SPAECs that will be allocated to the default service supplier, either as a percentage of the supplier's obligation or as a fixed quantity.

#### **D. Contingency Plans**

##### **(1) Full Requirements**

36. The Joint Petitioners agree that the Companies will continue utilizing the contingency plans approved in the DSP V proceeding to address the following possible scenarios: (i) an individual solicitation is not fully subscribed or the Commission rejects the bid results from a solicitation; and (ii) a winning supplier defaults prior to the start of the delivery period or at any time during the delivery period. Specifically, if a scheduled solicitation is not fully subscribed following the initial proposed procurement or if the Commission rejects the bid results from a solicitation, the Companies will rebid the unfilled tranches in the next scheduled procurement for which there is sufficient calendar time to include the tranches. For any unfilled tranches remaining, the Companies will purchase the necessary physical supply for the remaining tranches for that class through PJM-administered markets. The Companies will not enter into hedging transactions to attempt to mitigate the associated price or volume risks to serve such unfilled tranches. The Companies will secure any AEPS Act compliance requirements for unfilled tranches at market prices.

37. The Joint Petitioners agree that, in the event a winning bidder defaults prior to the start of or during the delivery period, the Companies will offer the unfilled tranches to the other qualified suppliers. If this is unsuccessful and a minimum of 30 calendar days exists prior to the

start of the delivery period, the tranches will be bid out in a separate solicitation. If insufficient time exists to conduct an additional solicitation, or if the supplemental solicitation is unsuccessful, the Companies will supply the tranches using PJM-administered markets.

38. Effective June 1, 2023, the Joint Petitioners agree that if PJM does not conduct the BRA in time for default service suppliers to incorporate the auction results in their bids, the CPP will be the average of the capacity prices from the previous two known delivery year capacity market auctions conducted by PJM. The Companies will calculate reconciliations for those default service suppliers impacted by utilizing their daily unforced capacity obligation by class, tranches served by class, and the differential between the CPP and the final capacity price.

39. The Companies will apply the CPP true-up across the entire contract term, and the calculation of the day weighted average capacity price adjustment for purposes of determining the true-up amount will reflect final unforced capacity (“UCAP”) quantity weighting. For example, for a 24-month contract term, the Companies will calculate the relevant 24-month average capacity price adjustment by appropriately weighting the amount of capacity (i.e., the final UCAP quantity) purchased by the supplier at each PJM capacity price.

## **(2) AEPS Requirements**

40. If the Companies’ long-term solar procurement is not fully subscribed, the Companies will develop and file an RFP with the Commission to procure SPAECs for a five-year period in an amount designed to satisfy up to an estimated 32% of the solar AEPS requirements for the Companies’ residential default service load. If the RFP is undersubscribed, the Companies will go to the spot market to procure the SPAEC shortfall. Energy will not be procured in the contingency plan.



## **E. Independent Evaluators**

41. The Joint Petitioners agree to the appointment of CRA International, Inc. d/b/a/ Charles River Associates (“CRA”) as the independent third-party evaluator for the Companies’ default service procurements.

42. The Joint Petitioners agree to the appointment of The Brattle Group as the independent third-party evaluator for the long-term solar procurement.

## **F. Rate Design And Cost Recovery**

### **(1) Price To Compare Default Service Rate Rider**

43. The Companies will continue to recover the cost of default service for the residential and commercial classes through their Price to Compare Default Service Rate Riders (“PTC Riders”) consistent with the PTC Riders approved by the Commission in the DSP V proceeding. Default service rates established pursuant to the PTC Riders will consist of a single per-kWh energy charge, which will change semi-annually instead of quarterly. These rates will continue to recover: (1) generation costs, transmission costs (excluding NMB charges described in footnote 5 above), and ancillary service costs; (2) supply management and administrative costs, as provided in 52 Pa. Code § 69.1808; and (3) applicable taxes. In addition, the default service rates will include a reconciliation component, or “E-Factor,” to recoup or refund, as applicable, under or over-collections from prior periods. The Joint Petitioners agree that over/undercollections of default service costs for the residential and commercial classes will be reconciled on a semi-annual instead of a quarterly basis.

44. The Joint Petitioners agree that the Companies shall be permitted to file the PTC Riders set forth in Exhibits D-1 to D-4 attached to the Joint Petition to become effective as of June 1, 2023, subject to resolution of the issues reserved for litigation related to the AEPS Act. Exhibits D-1 to D-4 are clean versions of the tariff changes reflected in Met-Ed/Penelec/Penn

Power/West Penn Exhibits PML-3 to PML-17 and PML-27 to PML-30 and incorporate the tariff changes described in Paragraph 67 below.<sup>6</sup>

## **(2) Hourly Pricing Default Service Rider**

45. The Companies will continue to use their HP Riders approved by the Commission in the DSP V proceeding to recover the cost of default service for industrial class customers. Default service rates established pursuant to the HP Riders will continue to be based upon the PJM hourly LMP for each Company's respective PJM-designated transmission zone plus associated costs, such as capacity, ancillary services, PJM administrative expenses and costs to comply with AEPS requirements that are incurred to provide hourly pricing default service. The Joint Petitioners agree that the default service rates also will include an E-Factor to reconcile costs and revenues on a semi-annual instead of quarterly basis.

46. The Joint Petitioners agree that the Companies shall be permitted to file the HP Riders set forth in Exhibits D-1 to D-4 to become effective as of June 1, 2023, subject to resolution of subject to resolution of the issues reserved for litigation related to the AEPS Act.

## **(3) Default Service Support Rider**

47. Each Company's tariff will include a DSS Rider that imposes non-bypassable charges to recover the same categories of costs approved by the Commission in the DSP V proceeding, with the elimination of the non-utility generation ("NUG") cost component of Met-Ed and Penelec's DSS Riders.

48. The Companies' DSS Riders will continue to recover four categories of costs: (1) the uncollectible accounts expense incurred through the provision of default service and on behalf of EGSs through the purchase of receivables programs for residential and small

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<sup>6</sup> The Electric Service Tariff pages referenced in this Joint Petition do not change the Companies' current treatment of AEPS compliance costs in their PTC Riders and Hourly Pricing Default Service Riders ("HP Riders").

commercial customers; (2) retail enhancement costs for the CRPs; (3) customer education costs; (4) NMB charges; and (5) clawback charge credit. Penn Power's DSS Rider may also recover any FERC-approved Midcontinent Independent System Operator ("MISO") Transmission Expansion Plan costs, PJM integration fees, and MISO exit fees associated with Penn Power's move from MISO to PJM.

49. The Joint Petitioners agree that the Companies shall be permitted to file the Met-Ed and Penelec DSS Riders set forth in Exhibits D-1 and D-2 to become effective as of June 1, 2023. The Joint Petitioners further agree that Penn Power and West Penn will continue to use their DSS Riders approved by the Commission in the DSP V proceeding.

#### **(4) Solar Photovoltaic Requirements Charge Rider**

50. To recover the costs associated with legacy solar contracts that expire in 2024, Met-Ed, Penelec and Penn Power will continue to use the non-bypassable Solar Photovoltaic Requirements Charge Riders ("SPVRC Riders") approved by the Commission in the Companies' DSP V proceeding.

51. Following the completion of the current long-term solar procurement contracts for Met-Ed, Penelec and Penn Power, all costs related to the procurement of solar energy and/or SPAECs will be recovered through the Companies' PTC Riders.

#### **(5) Time-of-Use Rates**

52. The Companies currently offer an optional time-of-use ("TOU") pricing rate to residential customers through their Commission-approved Time-of-Use Default Service Riders ("TOU Riders"). Eligible residential customers contract with a Commission-certified EGS for TOU default service under the switching rules set forth in the Companies' Electric Generation Supplier Coordination Tariffs ("Supplier Tariffs").

53. During DSP VI, the Companies will offer new TOU default service rate options for eligible residential and commercial customers to comply with the Companies’ obligations under Act 129 of 2008 (“Act 129”) to offer TOU and real-time rates to all default service customers with smart meters.<sup>7</sup>

**(i) TOU Product Structure and Rate Design**

54. The Companies’ TOU Riders will differentiate prices across three usage periods that are constant throughout the year as shown in Table 1 below.

**Table 1**

<u>TOU Pricing Period</u>	<u>Year-Round Days/Hours Included</u>
On-Peak	2 p.m. – 9 p.m. Monday through Friday
Super Off-Peak	11 p.m. – 6 a.m. Every day
Off-Peak	All other hours

These TOU pricing periods will be identical for the residential and commercial classes.

55. The Joint Petitioners agree to the TOU rate multipliers for each procurement class shown in Table 2 below. These multipliers reflect the ratios calculated from average PJM spot market prices, as well as allocation of the cost of capacity to on-peak hours only.

**Table 2**

		On-Peak	Super Off-Peak	Off-Peak
Met-Ed	Commercial	2.0558	0.5298	0.7277
	Residential	2.0180	0.5438	0.7285

<sup>7</sup> 66 Pa.C.S. §§ 2807(f)(5). The hourly-priced default service rate for the industrial class already meets Act 129 requirements.

Penelec	Commercial	1.9532	0.5582	0.7686
	Residential	1.9367	0.5669	0.7633
Penn Power	Commercial	2.0271	0.5202	0.7409
	Residential	2.0140	0.5331	0.7377
West Penn	Commercial	1.9416	0.5663	0.7870
	Residential	1.8632	0.5749	0.7821

56. The Companies agree to review the TOU rate multipliers set forth in Table 2 every two years, and all TOU rate multipliers shall be updated if the calculation of at least one TOU rate multiplier results in a 15% or larger change in any direction.

57. The Companies will source both the standard and TOU default service for residential and commercial customers from the same supply portfolio for each procurement class. The Companies will use the standard default service price as calculated in the PTC Riders as the reference price by class for their TOU rate calculations.

58. The TOU default service rates for each Company will be determined by multiplying the PTC Rider rate by the multiplier for the applicable customer class and TOU pricing period. The Companies will calculate the TOU rates on a semi-annual basis, synchronized with the PTC Rider adjustment periods for the residential and commercial classes. TOU customer kWh sales and costs will be included in the semi-annual reconciliation of the over/undercollection component of the PTC Rider for the entire procurement class (i.e., residential or commercial).

#### **(ii) Customer Eligibility**

59. The Companies' TOU Riders will be available to residential and commercial default service customers with smart meters. However, customers enrolled in a Company's Customer Assistance Program ("CAP") will not be eligible for the TOU Rider during the DSP VI Term to avoid potential adverse impacts on CAP benefits.

60. Customer-generators, except for virtual net metering customers, will be eligible for the Companies' TOU Riders.

61. Eligible default service customers may enroll in the TOU Rider online or by contacting the Companies' Customer Care Service Center. Participating customers will remain on the TOU Rider until they affirmatively elect to return to the applicable Company's standard default service rate or switch to an EGS.

62. Customers who select the TOU Rider may leave at any time without incurring related penalties or fees. However, if those customers subsequently leave the TOU Rider for any reason, they may not re-enroll for twelve months.

**(iii) Implementation Plan and Cost Recovery**

63. The Companies agree to provide the parties to the Settlement with draft educational and/or outreach materials regarding their TOU rates and will solicit their feedback for consideration.

64. All TOU outreach and education materials will include, at a minimum, the following statements, with the title: Important Information About Time of Use Rates:

- (a) "Time of Use Rates may not be beneficial for customers that cannot change the time of day that they rely on electricity, such as those with medical devices that require electricity or customers who are home during peak hours."
- (b) "If you are a customer with low or moderate income, other programs, including grant assistance, monthly bill credits, and debt forgiveness, may be available to help you afford your bill. Contact [Met-Ed, Penelec, Penn Power, West Penn] at [telephone number / website] for more information and to apply."

65. The Companies will recover the costs to implement their revised TOU Riders from customers through the PTC Riders.

66. Effective June 1, 2023, the Companies shall be permitted to implement the TOU Riders set forth in Exhibits D-1 to D-4.

#### **(6) Additional Tariff Changes**

67. The Joint Petitioners agree that effective June 1, 2023, the Companies shall be permitted to implement the changes to the Companies' retail electric service tariffs set forth in Exhibits D-1 to D-4, including changes to tariff definitions to accommodate the procurement plan set forth in the Settlement and elimination of Met-Ed and Penelec's NUG Riders and references to those expired riders throughout their tariffs.

68. As shown on Exhibits E-1 to E-4 attached to the Joint Petition, language related to transferring SPAECs to EGSs has been eliminated, language describing the purchase of receivables ("POR") program clawback provision as a pilot with an end date has been eliminated, and the prohibition against early termination/cancellation fees for customers transitioning into a Company's CAP described in Section II.I below has been added in each Company's Supplier Tariff.

#### **G. Customer Referral Program**

69. Each Company's CRP, as it is currently operated, will terminate as of May 31, 2027. In their default service filing for the period commencing June 1, 2027, the Companies will address whether a successor CRP program should be implemented and is necessary and provide the reasons for their proposal.

70. The Companies will provide the option for customers to enroll in the CRP through the Companies' website no later than June 1, 2023.

71. Consumer disclosures and standard programmatic information will be integrated into the web portal in plain language and will be programmed to require consumers to read and affirmatively indicate their acceptance of the disclosure and program terms.

72. The Companies agree that they will provide the scripting and disclosure language to be used on the web portal to the parties to this proceeding, along with a description of how the information will be presented to consumers and how consumers will indicate their acceptance of each disclosure, by no later than April 1, 2023. The Companies will provide the parties with an opportunity to make suggested revisions to the scripting for the purpose of additional clarification of the existing CRP.

73. No later than June 1, 2023, the Companies will make information about the CRP more easily accessed by customers on their website by including a direct link on the Customer Choice page, as well as notify customers through bill inserts, or other means such as newsletters, about the availability of online enrollment in the CRP.

74. As shown on Exhibit F to the Joint Petition, CRP suppliers will continue to be able to begin participation in the CRP effective on the following dates each year: March 1, June 1, September 1, and December 1.

75. The CRP enrollment fee to be paid by EGSs will remain at \$30 per customer enrollment for those enrollments completed by the Companies' third-party service provider. There will be no EGS fee for those customers who elect to utilize the Companies' web enrollment program to participate in the CRP without using the third-party service provider.

76. All costs of the program in excess of the EGS fee, including the cost of the web-based enrollment platform, shall be recovered through the Companies' DSS Riders.

77. Within 90 days following entry of the Commission's final order at these dockets, the Companies agree to convene an initial stakeholder collaborative open to the signatories of



this Settlement to explore the compilation of metrics related to the Companies' CRPs. Thirty days prior to the initial CRP collaborative meeting, the Companies will provide potential fields for data collection to begin at the start of the DSP VI Term on June 1, 2023.

78. During the CRP collaborative meeting, the Companies and meeting participants will discuss the potential data collection fields proposed by the Companies and consider any additional data fields that may be requested. The Companies will work in good faith to accommodate requests for additional data collection fields.

79. The Companies commit to convening a meeting 90 days prior to filing their next default service programs to review the results of the data compiled and address any questions by the parties.

#### **H. POR Clawback Charge**

80. As of June 1, 2023, the clawback charge will no longer be a pilot provision of the Companies' POR programs.

81. The Companies will continue to use a two-prong test to determine the clawback charge. The first, as described in testimony, will identify those EGSs whose average percentage of write-offs as a percentage of revenues over the twelve-month period ending August 31 each year exceeds 200% of the average percentage of total EGS write-offs as a percentage of revenues per operating company. The second prong of the test will identify, of those EGSs identified in the first test, EGSs whose average price charged over the same twelve-month period exceeds 150% of the average price-to-compare for the period. For those EGSs identified by both prongs of the test, the annual clawback charge assessed each September would be the difference between that EGS's actual write-offs and 200% of the average percentage of write-offs per operating company.

## **I. CAP Customer Shopping**

82. Effective June 1, 2023, all customers enrolled in the Companies' CAP are required to be enrolled in default service at the applicable PTC.

83. The Companies will develop a letter to be sent to all CAP customers enrolled with an EGS notifying those customers of the pending change to the program rules and their options related thereto. The letter will be available in English and Spanish, and will inform CAP shopping customers of the following:

- All CAP shopping customers are required to return to default service by June 1, 2023 in order to remain enrolled in the Companies' CAP.
- CAP shopping customers have the choice to voluntarily withdraw from CAP by June 1, 2023, if they wish to remain with their current EGS.
- CAP shopping customers who take no action by June 1, 2023 will be automatically returned to default service and will remain enrolled in CAP without interruption.
- CAP shopping customers will not incur any early cancellation, termination, or other fees if they choose to return to default service and remain in CAP.

84. The Companies will share a draft of the letter described in the preceding paragraph with the parties to this proceeding by February 1, 2023 and will provide those parties with the opportunity to provide suggested revisions to the letter. Once finalized, the letter will be sent to all CAP customers who are enrolled with a supplier as of April 1, 2023, and May 1, 2023.

85. Within 90 days of a final order in this proceeding, the Companies will begin advising all new CAP enrollees of the pending rule change. If the CAP enrollee is actively

shopping at the time of enrollment, they will be informed of the option to voluntarily withdraw from the program if they choose to remain with their current supplier as of June 1, 2023.

86. No EGSs will be permitted to charge early cancellation, termination or other fees to any shopping customer transitioning into one of the Companies' CAP programs. The Companies' Supplier Tariffs will be updated to reflect this restriction.

87. The Companies will continue to include a CAP flag for each CAP customer on the Eligible Customer List.

88. All administrative and programing costs incurred by the Companies to implement the aforementioned CAP shopping restriction will be collected from residential customers through the Companies' PTC Riders.

#### **J. Third-Party Data Access Tariff**

89. Beginning June 1, 2022, the Companies will implement a standard form of authorization, which is appended to the Third Party Data Access Tariffs set forth in Exhibits G-1 to G-4 of the Joint Petition, to be used for all new requests from third parties seeking customer data through the terms of the Companies' Third-Party Data Access Tariffs. Any other standard form of authorization, dated prior to June 1, 2022 will be accepted as a standard form of authorization under the terms of the Third-Party Data Access Tariffs until the expiration date of such form, at which point the Companies will require the use of the standard form of authorization included in this Settlement.

90. As shown on Exhibits G-1 to G-4, third-party data access shall be limited to Conservation Service Providers registered with the Public Utility Commission or Curtailment Service Providers that are PJM members and identified on PJM's list of demand response providers available at [www.pjm.com](http://www.pjm.com).

91. The Companies will conduct periodic, randomized internal audits of the participants under their new Third-Party Data Access Tariffs to ensure that letters of authorization are being properly obtained by third parties governed thereunder when seeking access to customer data. Such audits will occur at least semi-annually and will include at least 10% of active third parties governed by the tariff. All third parties found to be noncompliant will be permanently restricted from further access to customer data under the tariffs.

92. This Settlement does not create a precedent for third-party utility data sharing practices in Pennsylvania. All parties reserve the right to take a different position on the issues addressed in the Settlement in the context of the statewide proceeding at Docket M-2021-3029018.

93. Upon conclusion of the statewide proceeding at Docket M-2021-3029018, the Companies will assess whether their current system is consistent with any final Commission orders on the matter and will make subsequent filing(s) with the Commission to amend their tariffs if required. All parties to this proceeding will be served with a copy of any such filings.

#### **K. Additional Settlement Terms**

94. As a condition of the Settlement, the Joint Petitioners agree that the following issues will not be addressed in this default service proceeding: (i) proposals for the Commission to open one or more proceedings to reexamine the default service model and to revisit default service regulations and the default service policy statement to ensure that EDCs are recovering all default service costs through default service rates; (ii) RESA/NRG's proposal to revisit supplier consolidated billing; (iii) changes to the Companies' recovery of NITS costs; (iv) Constellation's proposal for the incorporation of a 24x7 load following clean energy product in future default service proceedings; and (v) credit requirement consistency among default service providers.

95. The Joint Petitioners agree that if RESA and/or NRG file a petition with the Commission proposing to reexamine default service on a statewide basis, including issues related to: (i) the appropriate entity to be in the default service provider role; (ii) supplier consolidated billing; (iii) the allocation of indirect or overhead costs to the default service rate; and (iv) continued use of the term “price to compare,” the testimony and exhibits admitted into the record in this proceeding may be referenced therein, pursuant to the Commission’s regulations at 52 Pa. Code §§ 1.33 (incorporation by reference) and 5.407 (records of other proceedings). The Joint Petitioners reserve the right to object to the admission of the record in this proceeding or in any future proceeding based on relevance or other appropriate grounds, depending on the proposed use of the testimony and exhibits.

### III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

96. The Companies, I&E, the OCA, the OSBA, CAUSE-PA, Constellation, Enerwise, the Industrials, and Shipley will submit Statements in Support on May 6, 2022 setting forth the bases on which they believe the Settlement is in the public interest.

97. The Joint Petitioners submit that the Settlement is in the public interest for the following additional reasons:

- ***Substantial Litigation And Associated Costs Will Be Avoided.*** The Settlement amicably and expeditiously resolves a number of important and contentious issues. The administrative burden and costs to litigate these matters to conclusion would be substantial.
- ***The Settlement Is Consistent With Commission Policies Promoting Negotiated Settlements.*** The Joint Petitioners arrived at the Settlement terms after conducting extensive discovery and engaging in in-depth discussions over several weeks. The Settlement terms and conditions constitute a carefully crafted package representing

reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (*see* 52 Pa. Code §§ 5.231, 69.391 and 69.401), and is supported by a substantial record.

#### **IV. ADDITIONAL TERMS AND CONDITIONS**

98. The Joint Petitioners agree that this Settlement, subject to the Commission resolution of the issues reserved for briefing, represents the default service procurement plan for all the Companies' customer classes for the DSP VI Term. The Companies shall be entitled to recover all costs reasonably incurred by them under their procurement plan as set forth in this Settlement, and the Joint Petitioners agree that they shall neither challenge nor seek disallowance of such costs (including pursuant to 66 Pa.C.S. §§ 2807(e)(3.8) and (3.9)), provided that the Companies' procurements are made in accordance with the approved plan.

99. This Settlement is proposed by the Joint Petitioners to settle the instant case and is made without any admission against, or prejudice to, any position which any Joint Petitioner might adopt during subsequent litigation of this case or any other case. It is understood, however, that the preceding paragraph shall be binding upon the Joint Petitioners should the Settlement be approved.

100. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify the terms and conditions herein, this Settlement may be withdrawn upon written notice to the Commission and all active parties within five business days following entry of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force and effect. In the event that the Commission disapproves the Settlement or the Company or any other Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their

respective rights to fully litigate this case, including but not limited to presentation of witnesses, cross-examination and legal argument through submission of Briefs, Exceptions and Replies to Exceptions.

101. If the Administrative Law Judge, in his Recommended Decision, recommends that the Commission adopt the Settlement as herein proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Settlement, or any additional matters proposed by the Administrative Law Judge in his Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

**WHEREFORE**, the Joint Petitioners, by their respective counsel, respectfully request that Administrative Law Judge Watson enter a Recommended Decision and the Commission enter an Order:

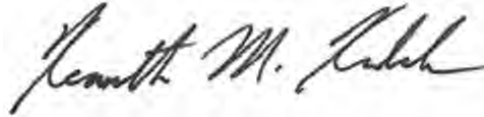
1. Approving the Settlement and the Companies' Revised DSP VI Programs as set forth herein, including all terms and conditions thereof, subject to the resolution of the issues reserved for briefing;
2. Finding that the Companies' Revised DSP VI Programs include prudent steps necessary to negotiate favorable generation supply contracts;
3. Finding that the Companies' Revised DSP VI Programs include prudent steps necessary to obtain least cost generation supply contracts on a long-term, short-term and spot market basis;
4. Finding that the Companies' Revised DSP VI Programs include prudent steps necessary to negotiate favorable generation supply contracts and to obtain least cost generation supply contracts on a long-term, short-term and spot market basis;

5. Finding that neither the Companies nor their affiliates have withheld from the market any generation supply in a manner that violates federal law.
6. Finding that the Companies' TOU rate options agreed to under this Settlement satisfy the Companies' obligations under 66 Pa.C.S. § 2807(f)(5);
7. Approving the selection of CRA as the independent third-party evaluator and auction manager for all DCAs;
8. Approving the selection of The Brattle Group as the independent third-party evaluator and RFP manager for the long-term solar procurement;
9. Granting a waiver of the rate design provisions of 52 Pa. Code § 54.187, to the extent necessary, to permit the Companies to continue to procure generation for three procurement classes, as well as to implement semi-annual rate adjustments and reconciliation for commercial customers under the PTC Rider and semi-annual reconciliation of HP Rider over-and-under collections for the industrial class as set forth in the Companies' Revised DSP VI Programs;
10. Granting a waiver of the Commission's requirements at 52 Pa. Code §§ 54.182 and 54.187 with regard to including certain transmission-related costs in the PTC to permit the Companies to continue to recover the NMB charges through the non-bypassable DSS Riders rather than the PTC Riders as set forth in the Companies' Revised DSP VI Programs;
11. Authorizing the Electric Service Tariff and Supplier Tariff pages attached to the Joint Petition as Exhibits D-1 to D-4 and Exhibits E-1 to E-4 to become effective as of June 1, 2023.
12. Authorizing the Third-Party Data Access Tariffs attached to the Joint Petition as Exhibits G-1 to G-4 to become effective as of June 1, 2023.



13. Terminating the consolidated proceeding at Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014 and P-2021-3030021 following a Commission decision on the issue of AEPS compliance cost recovery reserved by the parties.

Respectfully submitted,



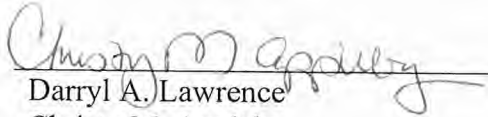
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Tori L. Giesler (Pa. No. 207742)  
Darshana Singh (Pa. No. 330971)  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
Phone: (610) 921-6658  
[tgiesler@firstenergycorp.com](mailto:tgiesler@firstenergycorp.com)  
[singhd@firstenergycorp.com](mailto:singhd@firstenergycorp.com)

Kenneth M. Kulak (Pa. No. 75509)  
Catherine G. Vasudevan (Pa. No. 210254)  
Brooke E. McGlinn (Pa. No. 204918)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Phone: (215) 963-5384  
[ken.kulak@morganlewis.com](mailto:ken.kulak@morganlewis.com)  
[catherine.vasudevan@morganlewis.com](mailto:catherine.vasudevan@morganlewis.com)  
[brooke.mcglinn@morganlewis.com](mailto:brooke.mcglinn@morganlewis.com)

*Counsel for Metropolitan Edison Company,  
Pennsylvania Electric Company, Pennsylvania Power  
Company, and West Penn Power Company*

Dated: April 20, 2022



---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

*Counsel for I&E*

---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

*Counsel for OSBA*

---

Michael A. Gruin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*

*Allison C. Kaster*

---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

*Counsel for I&E*

---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

*Counsel for OSBA*

---

Michael A. Gruin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

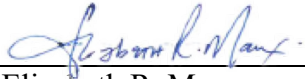
Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*

---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*



---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Michael A. Gruin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

*Counsel for I&E*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

*Counsel for OSBA*

---

John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*

---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*

---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Michael A. Gruin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

*Counsel for I&E*

*Erin K. Fure*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

*Counsel for OSBA*

---

John M. White  
Exelon Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

Colleen Kartychak  
Exelon Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*

---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

*Counsel for I&E*

---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

*Counsel for OSBA*



---

Michael A. Gruin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*

---

Darryl A. Lawrence  
Christy M. Appleby  
Harrison W. Breitman  
Office of Consumer Advocate  
5th Floor - Forum Place  
555 Walnut Street  
Harrisburg PA 17101-1923

*Counsel for OCA*

---

Elizabeth R. Marx  
Lauren N. Berman  
Ria M. Pereira  
John W. Sweet  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for Coalition for Affordable  
Utility Services and Energy Efficiency  
in Pennsylvania*

---

Michael A. Guin  
Stevens & Lee  
17 North 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Brian R. Greene  
GreeneHurlocker, PLC  
Suite 200  
4908 Monument Avenue  
Richmond, VA 23230

*Counsel for Enerwise Global  
Technologies, LLC d/b/a CPower  
Energy Management*

---

Allison C. Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120


*Counsel for I&E*

---

Erin K. Fure  
Assistant Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street – First Floor  
Harrisburg, PA 17101

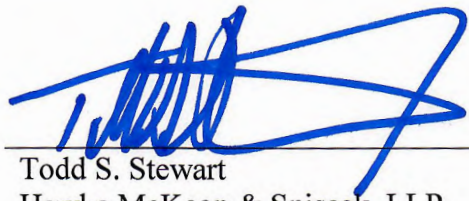
*Counsel for OSBA*

---

  
John M. White  
Constellation Energy Corporation  
101 Constitution Avenue, N.W.  
Suite 400 East  
Washington, DC 20001

Colleen Kartychak  
Constellation Energy Corporation  
1310 Point Street  
Baltimore, MD 21231

*Counsel for Constellation Energy Corporation*



---

Todd S. Stewart  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for Shipley Choice, LLC  
d/b/a Shipley Energy*

---

Susan E. Bruce  
Charis Mincavage  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108

*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
West Penn Power Industrial Intervenors*

---

Thomas J. Sniscak  
Whitney E. Snyder  
Phillip D. Demanchick, Jr.  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for The Pennsylvania  
State University*

DB1/ 129466321.4



*Charis Mincavage*

---

Todd S. Stewart  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for Shipley Choice, LLC  
d/b/a Shipley Energy*

---

Susan E. Bruce  
Charis Mincavage  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108

*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
West Penn Power Industrial Intervenors*

---

Thomas J. Sniscak  
Whitney E. Snyder  
Phillip D. Demanchick, Jr.  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for The Pennsylvania  
State University*

DB1/ 129466321.4

---

Todd S. Stewart  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for Shipley Choice, LLC  
d/b/a Shipley Energy*

---

Susan E. Bruce  
Charis Mincavage  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108

*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
West Penn Power Industrial Intervenors*



---

Thomas J. Sniscak  
Whitney E. Snyder  
Phillip D. Demanchick, Jr.  
Hawke McKeon & Sniscak, LLP  
100 North Tenth Street  
Harrisburg, PA 17101

*Counsel for The Pennsylvania  
State University*

DB1/ 129466321.4

**EXHIBIT A**

**BIDDING RULES FOR FIXED-PRICE AND HOURLY-PRICED AUCTIONS  
TO PROCURE DEFAULT SERVICE PRODUCTS UNDER DEFAULT  
SERVICE PROGRAM DSP VI FOR METROPOLITAN EDISON COMPANY,  
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER  
COMPANY AND WEST PENN POWER COMPANY**

## **Bidding Rules**

**For Fixed-Price and Hourly-Priced Auctions**

**To Procure Default Service Products**

**Under Default Service Program DSP-VI for**

**Metropolitan Edison Company (“Met-Ed”)**

**Pennsylvania Electric Company (“Penelec”)**

**Pennsylvania Power Company (“Penn Power”)**

**West Penn Power Company (“West Penn”)**

# Table of Contents

	<u>Page</u>
1.	INTRODUCTION ..... 1
1.1	Independent Evaluator ..... 2
2.	THE PRODUCTS BEING PROCURED ..... 2
2.1	Default Service Load ..... 2
2.2	Full Requirements Service ..... 2
2.3	Tranches ..... 3
3.	PRICES PAID TO DEFAULT SERVICE SUPPLIERS ..... 4
3.1	Prices Paid to Winning Suppliers in the Fixed-Price Auction ..... 4
3.2	Prices Paid to Winning Suppliers in the Hourly-Priced Auction ..... 4
4.	PRIOR TO THE START OF BIDDING ..... 5
4.1	Information Provided to Bidders ..... 5
4.1.1	Data ..... 5
4.1.2	Minimum and Maximum Starting Prices ..... 5
4.1.3	Tranche Size, Tranche Targets ..... 5
4.2	Qualification Process ..... 6
4.2.1	Part 1 Application: Certifications and Other Qualified Bidder Requirements ..... 6
4.2.2	Part 2 Application: Certifications, Indicative Offer, and Pre-Bid Security ..... 7
4.2.3	Sanctions for Failing to Comply with the Part 1 and Part 2 Applications ..... 11
4.3	Starting Prices (Round 1 Prices) ..... 11
4.4	Extraordinary Events ..... 11
5.	BIDDING FORMAT ..... 12
5.1	Descending-Price Clock Format ..... 12
5.1.1	Rounds ..... 12
5.1.2	The Announced Prices and a Bid ..... 13
5.1.3	Reservation Prices and Starting Prices ..... 13
5.1.4	Restrictions on What a Bidder Can Bid ..... 14
5.1.5	Multiple Bids by a Bidder ..... 14
5.1.6	Default Bid ..... 15
5.1.7	The EOR Procedure ..... 16
5.1.8	Price Decrements ..... 18
5.2	Determination of Winning Tranches, Winning Bidders, and Winning Prices ..... 18
5.2.1	Bid Stack for a Product has All Tranches at the Same Price ..... 18
5.2.2	Bid Stack for a Product has Tranches at Two Different Prices ..... 18
5.3	Example of Round-by-Round Bidding ..... 18
5.4	Reporting Round Results ..... 19
5.5	Frequency of Rounds ..... 19
5.6	Auction Pause Declared by Independent Evaluator ..... 19
6.	AFTER THE AUCTION CLOSES ..... 20
6.1	Notification of Results ..... 20
6.2	Execution of SMA ..... 20
6.3	Sanctions for Failure to Execute the SMA ..... 20
7.	USE OF THE BIDDING WEBSITE ..... 20
7.1	Importance of Confirmed Bids ..... 21
7.2	Requirements for Using the Bidding Website ..... 21
7.3	Messaging ..... 21

Bidding Rules to Procure Default Service Products

8.	BACKUP BIDDING PROCEDURES .....	22
9.	WHO TO CONTACT IN CASE OF PROBLEMS DURING THE AUCTION.....	23
10.	CONTINGENCY PLAN .....	23
10.1	If an Auction is Not Fully Subscribed .....	23
10.2	If a Winning Bidder Defaults.....	24
10.3	If a Capacity Proxy Price (“CPP”) is Used .....	24
11.	COMMUNICATIONS PROTOCOLS .....	25
11.1	The Companies and Affiliates .....	25
11.1.1	Internal Communications .....	25
11.1.2	Communications with Bidders.....	25
11.1.3	Part 1 Application Process.....	25
11.1.4	Part 2 Application Process.....	25
11.2	General Public and Media.....	25
11.2.1	The Information Website .....	26
11.2.2	Frequently Asked Questions .....	26
11.2.3	Registered Users .....	26
11.2.4	Press Releases.....	26
11.2.5	Answering Inquiries from the General Public or Media .....	26
11.3	Bidders.....	27
11.3.1	Communications Among Bidders.....	27
11.3.2	Communications between the Independent Evaluator and Bidders.....	27
11.3.3	Bidding Process .....	27
11.3.4	Limitations on Disclosures by Bidders .....	27
11.4	The Commission .....	28
11.4.1	Communications with the Independent Evaluator .....	28
11.4.2	Communications with the Companies.....	28
11.4.3	Communications with Bidders.....	28
11.4.4	Information on Auction Participation .....	28
11.4.5	Round-by-Round Bids.....	28
12.	CONFIDENTIAL INFORMATION, CERTIFICATIONS, AND SANCTIONS.....	28
12.1	Confidential Information .....	28
12.2	Certifications and Disclosures to Be Made .....	29
12.3	Actions to Be Taken if Certifications Cannot Be Made.....	30
12.4	Sanctions for Failure to Comply .....	30
13.	BIDDER ASSOCIATIONS.....	31
13.1	Procedure Followed by the Independent Evaluator .....	31
13.1.1	Following the Receipt of the Part 1 Applications .....	31
13.1.2	Following the Receipt of the Part 2 Applications .....	32
13.2	Remedies and Actions Related to Participation by Associated Bidders.....	33
13.3	Handling of Confidential Information .....	33
14.	MISCELLANEOUS .....	33
14.1	Warranty on Information .....	33
14.2	Hold Harmless .....	34
14.3	Bid Submissions Become the Companies’ Property .....	34
14.4	Bidder’s Acceptance .....	34
14.5	Permits, Licenses, Compliance with the Law and Regulatory Approvals.....	34
14.6	Auction Intellectual Property .....	34
	APPENDIX A — EXAMPLE OF ROUND-BY-ROUND BIDDING .....	36

## 1. INTRODUCTION

These Bidding Rules apply to the auctions to procure Default Service products for Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (each of which may be referred to as a “Company”, and/or in combinations as “Companies”) for all of their retail customers that take retail generation service from the Companies.

Default Service products for residential and commercial customers will be procured in a separate auction (“Residential/Commercial Auction” or “Fixed-Price Auction” or “FP Auction”) from the auction for industrial customers (“Industrial Auction” or “Hourly-Priced Auction” or “HP Auction”). Unless otherwise noted, these Bidding Rules apply to each auction.

Bidders need to be familiar with the Supplier Master Agreement (“SMA”), the Bidding Rules, and all other documents for the auctions, including the Part 1 Application and the Part 2 Application which apply to both auctions. Bidders should visit the Information Website regularly for up-to-date information, including information specific to each auction. The Information Website contains relevant data, the schedule and key dates for participating in the auction process, frequently asked questions, and other information.

The following documents are appended to, and shall be considered integral parts of, these Bidding Rules:

- Appendix 1 Part 1 Application for Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products
- Appendix 2 Part 2 Application for Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products
- Appendix 3 Sample Pre-Bid Letter of Credit

Unless noted otherwise, “days” refer to business days and times refer to prevailing Eastern Time. Capitalized terms in this document, which are not defined explicitly herein, are defined in the SMA. In accordance with the SMA, “Default Service” and “DS” are equivalent (e.g., “Default Service Load” in these Bidding Rules corresponds to “DS Load” in the SMA).

Examples in these Bidding Rules are illustrative only.

These Bidding Rules may be modified from time to time by the Independent Evaluator in order to: (i) facilitate a more competitive auction process, (ii) make any necessary corrections and/or clarifications, (iii) account for any change in auction products, (iv) conform to any change in state or federal law or rule, and (v) apply any change deemed necessary at the discretion of the Independent Evaluator. All modifications will be posted to the Information Website and carried out in consultation with the Companies.

## 1.1 Independent Evaluator

The Independent Evaluator is CRA International, Inc. d/b/a Charles River Associates (“CRA”). The Independent Evaluator (also referred to as the Auction Manager) can be contacted by sending an email to [fepaauction@crai.com](mailto:fepaauction@crai.com). The full contact information for the Independent Evaluator is as follows:

Independent Evaluator  
c/o Brad Miller, Vice President  
CRA International, Inc.  
200 Clarendon Street, T-9  
Boston, MA 02116-5092  
Phone: 617.425.3384  
[fepaauction@crai.com](mailto:fepaauction@crai.com)

## 2. THE PRODUCTS BEING PROCURED

This section summarizes the common elements of the products to be procured in the auctions. The Information Website provides details about the products to be procured in a specific auction, including the delivery periods, the number of tranches, and the nominal MW size of the tranches.

### 2.1 Default Service Load

Default Service Load is each Company’s aggregate requirement to serve its Default Service customers. For purposes of these Bidding Rules, a “Default Service Customer” is a retail customer of a Company taking Default Service.

### 2.2 Full Requirements Service

The auctions are designed to procure full requirements, load-following energy and energy-related services for Default Service Customers of the Companies.

**Obligations of Default Service Suppliers include the following:**

- Assume all responsibilities of a PJM Load Serving Entity (“LSE”), including all PJM administrative expenses and any other services or fees as required by PJM of an LSE.
- Provide for energy.
- Provide for capacity.
- Provide for ancillary services.
- Provide for transmission service, including Network Integration Transmission Service (“NITS”).

**Obligations of Default Service Suppliers exclude the following:**

- Regional Transmission Expansion Plan charges (“RTEP”);



- PJM Expansion Cost Recovery charges (“ECRC”);
- Reliability Must Run / Generation Deactivation charges (“RMR”) associated with generating plants for which specific RMR charges begin after the approval of the Companies’ current Default Service Plans (“DSP-V”) by the Pennsylvania Public Utility Commission (“Commission”). All Suppliers will continue to be responsible for RMR charges associated with generating plants that began before the approval of DSP-III by the Commission, as those charges may change over time;
- Unaccounted for Energy;
- Historical out of market tie line, generation and retail customer meter adjustments; or
- Any Federal Energy Regulatory Commission (“FERC”)-approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009.

**Alternative Energy Portfolio Standards Act (“AEPS Act” or “AEPS”) credits needed to meet the requirements of the Companies’ Default Service Load**

It is the responsibility of Default Service Suppliers to provide all Alternative Energy Credits (“AECs”) necessary to meet the AEPS obligations, except for certain Solar Photovoltaic Alternative Energy Credits (“SPAECs”).

- During the first year of DSP VI, Default Service Suppliers in Met-Ed, Penelec, Penn Power service territories will be allocated a portion of the SPAECs from the long-term SPAEC contracts that expire on May 31, 2024.
- Once the PaPUC approves the long-term solar procurement for DSP VI, Met-Ed, Penelec, Penn Power and West Penn Power will allocate a portion of the SPAECs from the long-term procurement to Residential Default Service Providers in those service territories.
- Met-Ed, Penelec, Penn Power and West Penn Power will provide in each transaction confirmation a quantity of SPAECs that will be allocated to the supplier, either as a percentage of the supplier’s obligation or as a fixed quantity.

The requirements of Default Service Suppliers are described more specifically in the SMA.

## **2.3 Tranches**

Default Service Load will be divided into identical units called tranches, each representing a defined percentage of Default Service Load. For example, if there are 25 tranches for a given customer class, then each tranche equals one divided by twenty-five, or four percent of that class’s load. This includes four percent (4%) of the actual hourly energy required for Default Service Load for the applicable delivery period as well as four percent (4%) of the PJM capacity requirement for the applicable delivery period.

The number of tranches intended to be procured in the auction for a product is referred to as the “tranche target” for that product. The Independent Evaluator may reduce the tranche targets if indications of interest in the auction are such that doing so is required to promote more competitive bidding.

### 3. PRICES PAID TO DEFAULT SERVICE SUPPLIERS

This section summarizes the components of the prices to be paid to Default Service Suppliers. The SMA takes precedent over the summary provided here.

#### 3.1 Prices Paid to Winning Suppliers in the Fixed-Price Auction

In accordance with the SMA, the Default Service Suppliers from the Fixed-Price Auction for residential customer load will be paid a price comprising a fixed-price component and a variable price component while the Default Service Suppliers from the Fixed-Price Auction for commercial customer load will be paid a price comprising a fixed-price component only.

- The residential fixed-price component will be equal to 100 percent (100%) of the delivered supply each hour multiplied by the price established through the Companies' competitive procurement process.
- The commercial fixed-price component will be equal to 100 percent (100%) of the delivered supply each hour multiplied by the price established through the Companies' competitive procurement process.

#### 3.2 Prices Paid to Winning Suppliers in the Hourly-Priced Auction

In accordance with the SMA, the Default Service Suppliers from the Hourly-Priced Auction will be paid a price comprising a fixed-price component and a variable price component.

- The fixed-price component will be equal to 100 percent (100%) of the delivered supply each hour multiplied by the price established through the Companies' competitive procurement process.
- The variable price component will be equal to 100 percent (100%) of the delivered supply each hour multiplied by a "spot price." The "spot price" will be equal to the sum of:
  - (a) The real time hourly total LMP established by PJM for the PJM delivery point of the applicable Company, plus
  - (b) An adder of \$4/MWh. This adder is designed to capture an estimate of costs of other supply components associated with meeting the full-requirements obligation, including capacity, ancillary services, NITS, AEPS compliance, and other costs.

## **4. PRIOR TO THE START OF BIDDING**

### **4.1 Information Provided to Bidders**

The Companies will make available certain information to suppliers in advance of qualification. This information will be posted on the Information Website.

#### **4.1.1 Data**

Load and other data that are posted to the Information Website are described in a data description document on the Information Website.

#### **4.1.2 Minimum and Maximum Starting Prices**

The Independent Evaluator will announce a minimum starting price and a maximum starting price for each product in the auction. The minimum and maximum starting prices establish the range for the possible round 1 prices for the auction.

#### **4.1.3 Tranche Size, Tranche Targets**

No later than eight (8) days prior to the Part 1 Application Due Date, the Independent Evaluator will announce for each product in the auction:

- The tranche targets or the number of tranches being procured for each product.
- The size (%) and MW-measure of the tranches in the auction.

No later than four (4) days prior to the Part 2 Application Due Date, the Independent Evaluator will announce:

- Any update to the MW-measure of the tranches in the auction.

## 4.2 Qualification Process

There are two parts to the bidder application and qualification process. In Part 1, prospective bidders apply to become Qualified Bidders. In Part 2, each Qualified Bidder provides certifications and its indicative offer and pre-bid security in order to become a Registered Bidder.

A prospective bidder is required to submit a new Part 1 Application before the first auction in a calendar year in which it would like to participate.

If a prospective bidder submits a successful Part 1 Application for an upcoming auction, in general the Qualified Bidder will not need to submit a new Part 1 Application for any subsequent auction that is held in the same calendar year as the upcoming auction. For example, if the prospective bidder submits a successful Part 1 Application and becomes a Qualified Bidder for an auction held in January, the Qualified Bidder generally would not need to submit a Part 1 Application prior to any other auctions held in the same calendar year. However, the Qualified Bidder will need to submit a new Part 1 Application if the information in the prior successful Part 1 Application has changed. Also, the Qualified Bidder is required to submit its most recent (e.g., quarterly) financial statements before each auction.

A Qualified Bidder is required to submit a new Part 2 Application before each auction it would like to participate in.

### 4.2.1 Part 1 Application: Certifications and Other Qualified Bidder Requirements

In the Part 1 Application process, prospective bidders will be required to:

- Submit an application from a person with the power to bind the bidder.
- Agree to comply with all rules of the auction.
- Agree that if they become winning bidders, they will execute the applicable SMA with the Companies within 3 business days following the date of the Commission's approval of the auction results.
- Show either that they are a PJM Market Participant and Load Serving Entity in PJM, or that there exist no impediments to them becoming a PJM Market Participant and Load Serving Entity in PJM by the start of the applicable delivery period.
- Agree that if they become winning bidders, they will comply with the creditworthiness requirements set forth in the SMA.
- Certify that if they qualify to participate, they will not disclose information regarding the list of Qualified Bidders or confidential information that may be obtained during the bidding process about Qualified Bidders.
- Certify that if they qualify to participate, they will not substitute another entity in their place, transfer their rights to another entity, or otherwise assign their status as Qualified Bidders to another entity.

Part 1 Applications must be submitted to the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time on the Part 1 Application Due Date. Prospective bidders will be notified by the Independent Evaluator no later than three (3) days after the Part 1 Application Due Date whether they succeeded in becoming Qualified Bidders.

A prospective bidder that has qualified during the Part 1 Application process becomes a Qualified Bidder. The Independent Evaluator will send a list of all Qualified Bidders to relevant parties that have undertaken to maintain the confidentiality of the list of Qualified Bidders. The relevant parties that will receive this list of Qualified Bidders are as follows:

- Each Qualified Bidder.
- Other parties as necessary to oversee the proper conduct of the auction, including representatives from the Companies and Commission Staff.

All parties receiving a list of Qualified Bidders will be subject to the confidentiality requirements as specified below and in the section, "Communications Protocols," in these Bidding Rules.

#### 4.2.2 Part 2 Application: Certifications, Indicative Offer, and Pre-Bid Security

For each auction, a Qualified Bidder must successfully complete the Part 2 Application process in order to become a Registered Bidder that can bid in the auction. Only Qualified Bidders may submit a Part 2 Application.

Part 2 Applications must be submitted to the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date. Qualified Bidders will be notified by the Independent Evaluator whether they succeeded in the Part 2 Application process no later than three (3) days after the Part 2 Application Due Date.

##### Certifications

In the Part 2 Application, each Qualified Bidder will make a number of certifications to ensure the confidentiality of information regarding the auction, and in regards to associations with other Qualified Bidders, to ensure that they are participating independently of other Qualified Bidders. More details on the certifications can be found in the section, "Confidential Information, Certifications, and Sanctions," later in this document.

The competitiveness of the auction and the ability of the auction to produce competitive prices may be harmed by the coordinated or collusive behavior that associations among bidders may facilitate. As the Independent Evaluator relies on a number of factors to assess and promote competitive bidding, including the number of independent competitors, providing inaccurate information or insufficient disclosure of associations in the Part 2 Application is prohibited. More details on rules and protocols for participation by associated bidders can be found in the section, "Bidder Associations," later in this document.

##### Indicative Offers

With its Part 2 Application, a Qualified Bidder will be required to submit indicative offers and to post pre-bid security sufficient for their indicative offers. A Qualified Bidder provides two indicative offers for each

auction that the Qualified Bidder is applying to participate in: one indicative offer at the minimum starting prices for the products in the auction, and one indicative offer at the maximum starting prices for the products in the auction. An indicative offer specifies for each product in the auction the number of tranches that the Qualified Bidder is willing to serve for that product. Thus, the indicative offer at the minimum starting prices in the auction specifies the number of tranches that the Qualified Bidder is willing to serve for each product in the auction at the minimum starting price for the product. The indicative offer at the maximum starting prices in the auction specifies the number of tranches that the Qualified Bidder is willing to serve for each product in the auction at the maximum starting price for the product. For each product in the auction, the number of tranches specified in the indicative offer at the minimum starting price cannot exceed the number of tranches specified in the indicative offer at the maximum starting price.

Indicative offers are important in two respects. First, the Independent Evaluator may use the indicative offers to inform the setting of the starting price for each product (i.e., round 1 announced price). Second, the total number of tranches in the Qualified Bidder's indicative offer at the maximum starting prices is used to determine the Qualified Bidder's initial eligibility (i.e., the maximum total number of tranches the Qualified Bidder can bid across all products in round 1 of the auction): the Qualified Bidder's initial eligibility is set to the total number of tranches across all products in the Qualified Bidder's indicative offer at the maximum starting prices. During the auction, bidders are free to switch their tranches among products in response to changes in announced prices (subject to any bidding restrictions). However, a bidder will never be able to bid a total number of tranches across products that exceeds the bidder's initial eligibility. Thus, the number of tranches for each product in the Qualified Bidder's indicative offer at the maximum starting prices does not limit the number of tranches the Qualified Bidder can bid on a particular product, but the total number of tranches across all products in the indicative offer at the maximum starting prices must be equal to the Qualified Bidder's desired initial eligibility across all products in the auction.

#### Restrictions on the Indicative Offer: Load Cap

Each Qualified Bidder will be subject to a load cap that limits the number of tranches the bidder can bid on and win. Thus, the Qualified Bidder's indicative offer at the maximum starting prices across all products in the auction is not allowed to exceed the load cap. The load cap will be 50 percent for fixed-price products and 75 percent for hourly-price products on an aggregated load basis across all products in each auction such that no bidder may bid on and win more tranches than the load cap. The load cap will be implemented by ensuring that each bidder's initial eligibility does not exceed the load cap in an auction.

#### Restrictions on the Indicative Offer: Credit-Based Tranche Cap

A Qualified Bidder may have a credit-based tranche cap that limits the Qualified Bidder's initial eligibility. The Qualified Bidder's indicative offer at the maximum starting prices across all products in the auction is not allowed to exceed the Qualified Bidder's credit-based tranche cap. This credit-based tranche cap is based on the credit rating of the Qualified Bidder or its Guarantor. A Qualified Bidder's credit-based tranche cap is determined as shown in Table 1.

#### **Table 1. Credit-Based Tranche Cap**

Credit Rating of Qualified Bidder or Guarantor			Credit-Based Tranche Cap
S&P	Moody's	Fitch	
<u>BBB- &amp; up</u>	<u>Baa3 &amp; up</u>	<u>BBB- &amp; up</u>	Unlimited up to auction's tranche target
<u>BB+/BB</u>	<u>Ba1/Ba2</u>	<u>BB+/BB</u>	8 tranches
<u>BB- &amp; below</u>	<u>Ba3 &amp; below</u>	<u>BB- &amp; below</u>	4 tranches
If not rated by any of those rating agencies			4 tranches

Note that the parameters in the table above may vary by auction and over time, at the sole discretion of the Companies.

To be assigned a credit-based tranche cap greater than the minimum credit-based tranche cap, the Qualified Bidder or its Guarantor must:

- Be rated by at least one of the following rating agencies: Standard & Poor's Rating Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), and
- Have a senior unsecured debt rating (or, if unavailable, corporate or issuer rating).

If the Qualified Bidder or Guarantor is rated by only one rating agency, that rating will be used. If the Qualified Bidder or Guarantor is rated by only two rating agencies, and the ratings differ, the lowest rating will be used. If the Qualified Bidder or Guarantor is rated by the three rating agencies, and the ratings differ, the lower of the two highest ratings will be used; provided that, in the event that the two highest ratings are common, such common rating will be used.

If a Qualified Bidder is not rated by any of the rating agencies, the Qualified Bidder's credit-based tranche cap will be the minimum credit-based tranche cap as shown in Table 1.

The credit-based tranche cap is in effect only during the bidding process. After the SMA has been executed by a winning bidder, the credit-based tranche cap no longer will be in effect and the Default Service Supplier will be required to meet the credit terms in accordance with the SMA.

### Pre-Bid Security

Each Qualified Bidder must post pre-bid security sufficient for its indicative offer at the maximum starting prices. Each Qualified Bidder must post pre-bid security in an amount specified in the Part 2 Application for all products included in the bidder's indicative offer at the maximum starting prices. Either cash or a pre-bid letter of credit will be accepted as pre-bid security. Letters of Credit can be submitted as a hardcopy or in electronic form. Interest will not be paid on cash posted as pre-bid security. The standard form of the pre-bid letter of credit that is acceptable to the Companies will be posted to the Information Website.

If a draft pre-bid letter of credit submitted by the prospective bidder with the Part 1 Application does not conform to the standard form, the prospective bidder shall indicate clearly any and all modifications in electronic, redlined format from the standard form. The Companies will assess, in their sole and exclusive discretion, whether such modifications are acceptable. Modifications that are accepted by the Companies will be posted on the Website. Subsequently in its Part 2 Application, a Qualified Bidder must provide the required executed pre-bid letter of credit that either is the standard form or is the version that incorporates only those modifications to the standard form accepted by the Companies upon review of the bidder's Part 1 Application.

The following is an example calculation of the pre-bid security.

**Example 1. Pre-Bid Security**

A Qualified Bidder submits an indicative offer of 5 tranches for the Met-Ed 24-month residential product at the minimum starting price and 10 tranches for the Met-Ed 24-month residential product at the maximum starting price, 3 tranches for the Penelec 12-month residential product at the minimum starting price and 6 tranches for the Penelec 12-month residential product at the maximum starting price, and 2 tranches for the Penn Power 12-month commercial product at the minimum starting price and 4 tranches for the Penn Power 24-month commercial product at the maximum starting price. The Qualified Bidder must submit with this indicative offer of 20 tranches at the maximum starting prices cash or a pre-bid letter of credit of \$500,000 per tranche (as specified in the Part 2 Application). The Qualified Bidder thus posts cash or a pre-bid letter of credit of \$10 million (20 tranches X \$500,000 per tranche).

For a Part 2 Application to be accepted, it must be complete and include the Qualified Bidder's indicative offers and pre-bid security (either a pre-bid letter of credit or cash). After its Part 2 Application is accepted, a Qualified Bidder becomes a Registered Bidder. The Independent Evaluator will send each Registered Bidder a summary of its indicative offers, pre-bid security amount, and the Registered Bidder's initial eligibility.

The Independent Evaluator also will send simultaneously to each Registered Bidder, and to those other parties as necessary to oversee the proper conduct of the auction, a list of Registered Bidders, and the total initial eligibility aggregated across all Registered Bidders. The list of Registered Bidders and the total initial eligibility will not be released publicly. Qualified Bidders, in their Part 2 Applications, will have undertaken to maintain the confidentiality of the list of Registered Bidders and the total initial eligibility, and to destroy documents including electronic files with this information provided by the Independent Evaluator within five (5) days following the conclusion of the auction, as explained further in the Part 2 Application.



Pre-bid security will remain in full force, at a minimum, until the fifth calendar day after the conclusion of the auction. Subsequently, a bidder's pre-bid security will be cancelled and returned:

- For non-winning bidders: as soon as practicable after the Commission issues its post-auction Secretarial Letter.
- For winning bidders: after the bidder has signed the SMA and has complied with all creditworthiness requirements of the SMA for the tranches that the bidder has won.

The Companies can collect on the pre-bid security of bidders that win tranches but that fail to sign the SMA or fail to comply with the creditworthiness requirements immediately following the close of the auction.

#### **4.2.3 Sanctions for Failing to Comply with the Part 1 and Part 2 Applications**

Sanctions can be imposed on a bidder for failing to disclose information relevant to determining associations, for coordinating with another bidder, or for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications. Such sanctions can include, but are not limited to, termination of the SMA, loss of all rights to provide supply for the Companies to serve any load won by such bidder, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future solicitations, and other sanctions that may be appropriate. For any failure to disclose information or for any violation of the certifications, the Independent Evaluator will make a recommendation on a possible sanction.

#### **4.3 Starting Prices (Round 1 Prices)**

No later than three (3) days before bidding starts for an auction, the Independent Evaluator will inform all Registered Bidders of the starting price for each product in the auction, which is the announced price that will be in effect for round 1. For each product, the starting price will be no higher than the maximum starting price and no lower than the minimum starting price for the product. The Independent Evaluator will set the starting prices.

#### **4.4 Extraordinary Events**

The Independent Evaluator, in consultation with the Companies, may determine that, due to extraordinary events, the minimum starting prices and the maximum starting prices require revision. In this event, the schedule for the auction process also may be revised. If the indicative offers have already been received, the Independent Evaluator will request that the Registered Bidders (or the Qualified Bidders if the Part 2 Application process had not been completed) revise their indicative offers on the basis of the revised minimum starting prices and the revised maximum starting prices.

For such a revision to be necessary, an extraordinary event must occur between the time at which the minimum starting prices and the maximum starting prices are announced and the day on which bidding starts. An extraordinary event must be agreed to by the Companies and the Independent Evaluator. Such events could include, but are not limited to, the advent of war, the disruption of a major supply source for potentially extended periods, or other events that could affect significantly the cost of supply.

If an extraordinary event occurs during that time, the Independent Evaluator in consultation with the Companies will determine revised minimum starting prices and revised maximum starting prices. New indicative offers based on these prices will be required from bidders. To the extent practicable, the determination of new minimum and maximum starting prices, the submission of new indicative offers, and if necessary the announcement of new starting prices, will be carried out so as to afford bidders sufficient time. If an extraordinary event occurs during that time that causes a possible change in the schedule, the Independent Evaluator in consultation with the Companies and Commission Staff, will determine a revised schedule.

## **5. BIDDING FORMAT**

In order to participate in the auction, bidders must have been successful in the Part 1 Application process and the Part 2 Application process. Only Registered Bidders are permitted to participate in the auction. Registered Bidders will bid in the auction by accessing the Independent Evaluator's secure Bidding Website.

### **5.1 Descending-Price Clock Format**

The auction format is a simultaneous, multiple-round, descending-price clock format for "N" rounds. The number of rounds "N" for the auction is not pre-determined. Instead, it is determined by the closing rule for the auction (described below). All products are available to bid on simultaneously in the auction. Bids are submitted during bidding rounds. Prices are announced for the products prior to each bidding round, and during a bidding round, a bidder submits for each product the number of tranches it would supply at the product's announced price. If the total number of tranches bid on a product exceeds the product's tranche target — i.e., the product is over-subscribed — the announced price for the product will be reduced for the next round. Announced prices will tend to decline round by round until the number of tranches bid falls sufficiently so that no product is over-subscribed and the auction closes.

An important rule is that a bidder cannot reduce the number of tranches it bids on a product if the product's announced price does not fall from one round to the next; in this case, the bidder can only maintain or increase the number of tranches it bids on the product (subject to other rules).

#### **5.1.1 Rounds**

Each bidding round has a specified start time and a specified end time. These start and end times are enforced by the Bidding Website. Prior to the start of the auction, the initial schedule of rounds will be available on the Bidding Website. As the auction progresses, the Independent Evaluator will keep bidders informed of the start and end times of subsequent rounds through the Bidding Website. The Independent Evaluator retains the option of pausing a round, delaying the start or end of a round, or otherwise adjusting the round times. The Independent Evaluator will inform bidders through the Bidding Website if it exercises this discretion to change the start time or end time of a round.

Bidders submit bids only during a round. When a round ends, the bids submitted during that round are processed and results of that round are reported to all bidders as explained in the section "Reporting Round Results" below. Each bidder then prepares to submit a bid for the next round if the auction remains open.

### 5.1.2 The Announced Prices and a Bid

Prior to the start of each round, the Independent Evaluator announces the price that will be in effect for each product for the round. The announced prices are specified in dollars per MWh or \$/MWh. The price announced by the Independent Evaluator for a product applies to all of the product's tranches. Each bidder decides how many tranches it is willing and able to supply for each product at the product's announced price. A bid by a bidder is, for each product, the number of tranches that the bidder is willing to supply at that announced price for the product. All bids are irrevocable and binding upon the bidders.

At sufficiently high announced prices there will be excess supply for a product causing it to be over-subscribed; that is, the number of tranches bid on the product will exceed the product's tranche target. Excess supply for a product is measured as the total number of tranches bid across all bidders on the product in the round minus the product's tranche target.

### 5.1.3 Reservation Prices and Starting Prices

There are reservation prices for the auction. The reservation price for a product is the price above which tranches for the product will not be purchased. If, at the conclusion of the auction, the reservation price for a product has not been met, no tranches for that product will be awarded. At the conclusion of the auction, the Independent Evaluator will inform bidders through the Bidding Website if the reservation price for a product has not been met.

Starting prices for the auction are determined after reservation prices are determined. The starting price for a product will be no lower than the reservation price for the product. The starting price may be the same as or higher than the reservation price for the product. The Independent Evaluator will not announce the reservation prices to bidders in advance of an auction.

#### 5.1.4 Restrictions on What a Bidder Can Bid

The total number of tranches a bidder bids across all products in a round cannot exceed the bidder's eligibility for that round. That is, a bidder's eligibility to bid in a round is the maximum number of tranches it is allowed to bid across all products in that round. A bidder's eligibility for a round simply is the number of tranches the bidder bid across all products in the preceding round. Thus, a bidder cannot increase its eligibility from round to round; its eligibility can only stay the same or decrease from round to round.

A bidder is not allowed to bid more tranches on a product in a round than the product's tranche target.

A bidder is not allowed to bid a number of tranches that would violate any applicable load cap.

If the announced price for a product has been reduced from one round to the next round, the bidder can reduce the number of tranches it bid on that product.

If the announced price for a product has not been reduced from one round to the next round, the bidder cannot reduce the number of tranches it bid on that product.

Subject to the rules above, in each round a bidder is free to bid its tranches of eligibility across products however it would like to. Thus, subject to the rules above, bidders are free to reduce the tranches they bid and/or to switch tranches across products from round to round in response to changes in the announced prices for the products.

As discussed above, a bidder's initial eligibility is its eligibility for round 1 of the auction and is determined by the total number of tranches across products at the maximum starting prices in the bidder's indicative offer. During the course of the auction, the bidder's eligibility will decline or remain unchanged depending on the total number of tranches bid by the bidder across all products in each round of the auction.

If a bidder's eligibility falls to zero tranches, it will not be allowed to bid in any more rounds of the auction.

#### 5.1.5 Multiple Bids by a Bidder

Because a bidder may decide to change a bid it submitted previously within the current open round, a bidder is allowed to make multiple bid submissions in a round as long as the round remains open for bidding, with each new confirmed bid fully replacing any prior bids it submitted in the round. If a bidder submits multiple bids in a round, the only bid considered in the round for that bidder is the last confirmed bid it submitted in the round.

### 5.1.6 Default Bid

After the end of a round, a default bid is submitted automatically on behalf of a bidder if the bidder:

- Entered the round with positive eligibility, and
- Did not submit a confirmed bid in the round.

If the announced price for a product declined from the prior round, then zero tranches will be the default bid for that product.

If the announced price for a product did not decline from the prior round, then the number of tranches that the bidder bid on the product in the prior round as determined by the end-of-round ("EOR") procedure following the prior round will be the default bid for the product.

Each bidder is solely responsible for ensuring it submits a confirmed bid prior to the end of the round in order to avoid a default bid of being submitted on the bidder's behalf.

### 5.1.7 The EOR Procedure

At the end of each round, the EOR procedure is used to process the confirmed bids submitted during the round. The EOR procedure includes the following steps.

- (a) The supply for each product is measured by summing up — across the confirmed bids for all bidders — the number of tranches bid for each product.
- (b) The subscription level for each product is measured by comparing the supply for the product to the tranche target for the product. A product is over-subscribed, subscribed, or under-subscribed if supply (i.e., the number of tranches bid) is greater than, equal to, or less than the product's tranche target, respectively.
- (c) If a product has become under-subscribed in a round after being over-subscribed or subscribed in the preceding round, then tranches will be rolled back to the point that the product is subscribed. That is, at least some of the tranches that were bid on the product in the preceding round but that were not bid on the product this round will be deemed to still be bid on the product. The price at which a rolled-back tranche is deemed to have been bid simply is the announced price at which the bidder had bid the tranche. There is a priority for selecting tranches to roll back: tranches that otherwise would no longer be bid on any product in the auction and therefore would be reductions in bidders' eligibilities are rolled back first (referred to as "eligibility reduction tranches"), and then if needed, tranches that were switched from being bid on the product to being bid on another product are selected next for rollbacks (referred to as "switched tranches"). Eligibility reduction tranches are selected for rollback proportionally tranche by tranche, not bidder by bidder. Likewise, switched tranches are selected for rollback proportionally tranche by tranche, not bidder by bidder. More precisely, because integer tranches are needed, the actual selection mechanism uses a random number generator to select rollbacks tranche by tranche (first for eligibility reduction tranches and then for switched tranches), but on average the selection process results in proportional rollbacks (with priority given to rolling back eligibility reduction tranches first and then switched tranches second). All tranches that are rolled back maintain their eligibility for the bidder. Any bidder subjected to a rollback will be notified through the Bidding Website that a rollback has taken place and will be informed about the number of tranches deemed bid on each product and the price at which those tranches have been deemed bid.

For example, suppose a bidder bids five tranches on a product and no tranches on other products in round 8, and the price for that product is reduced for round 9 and the bidder bids only 1 tranche on the product and no tranches on other products for round 9. Absent any EOR rollbacks following round 9, the bidder's eligibility would fall from 5 tranches to 1 tranche. But during the EOR procedure, suppose two of the bidder's 4 "eligibility reduction tranches" are rolled back on the product, so after the EOR procedure the bidder is deemed to have bid 3 tranches on the product — one at the announced price of the round just ended and two at the announced price of the preceding round — and therefore the bidder is deemed to have 3 tranches of eligibility for round 10.

- (d) "Free eligibility tranches" are determined as follows. A product's "bid stack" is a list of the tranches currently deemed bid on the product and the price at which each tranche was bid for the product. Because of rollbacks, a product's bid stack could have tranches bid at two different prices: some tranches bid at the earlier, higher announced price and some tranches bid at the current, lower announced price. Any new tranche bid on such a product necessarily will be bid at the current, lower announced price. This new tranche will displace a tranche in the product's bid stack at the earlier, higher announced price. The displaced tranche becomes a "free eligibility tranche". The free eligibility tranche counts as eligibility for the bidder and the bidder can bid the tranche on any product next round, or the bidder can choose not to bid the tranche at all. But if the bidder does not bid the free eligibility tranche next round, the tranche will be withdrawn from the auction permanently and will reduce the bidder's eligibility by one tranche after the next round.
- (e) In some cases, the Independent Evaluator may reduce the tranche targets. The criteria that could lead to such a reduction will be determined prior to the auction but will not be announced to bidders. Once certain pre-specified criteria related to excess supply and related to the reservation price have been met, the discretion to reduce a product's tranche target because of insufficient supply will be eliminated. Thus, any tranche target reduction would more likely occur in the earlier rounds of the auction. If the Independent Evaluator reduces the tranche target for a product, bidders will be informed of the revised tranche target. Any bidder that otherwise would have eligibility exceeding the new tranche targets will have its eligibility reduced so as not to exceed the new tranche targets.
- (f) The closing rule determines whether the auction has concluded. The closing rule is that the auction concludes if either case (1) or case (2) holds as follows:
- (1) If no product is over-subscribed and no bidder has free eligibility tranches, then the auction has concluded. Note that it is possible for the auction to continue with no reductions in announced prices: if no product is over-subscribed there will be no reductions in announced prices but if there are free eligibility tranches (which "expire" after one round), the auction will remain open for one more round (subject to case (2) described next), allowing bidders with free eligibility to bid those tranches.
  - (2) If this is the Nth consecutive round in which no product is over-subscribed, and the number of tranches of free eligibility across all bidders as a percentage of the sum of the tranche targets across all products is less than or equal to X percent, then the auction has concluded. The parameter values for N and X will be determined before the auction. The likelihood that this case (2) would occur in a particular auction is expected to be low.
- (g) If the auction has concluded, the winning tranches, winning bidders, and winning prices are determined as described below.
- (h) If the auction has not concluded, then each bidder's eligibility is determined for the next round and the price decrement (if any) is determined for each product for the next round.

### 5.1.8 Price Decrements

The announced prices will decrease round by round by a price decrement for over-subscribed products. Pre-specified price guidelines are used to determine the price decrements. Generally the price decrement for a product will be larger for the earlier rounds in the auction and when the excess supply for the product is greater. The price decrement is expected to be between 0.5 percent and 5 percent of the announced price for the most recently completed round.

The Independent Evaluator reserves the right to override the price decrement guidelines. The exercise of that right is expected to occur rarely and only if doing so is believed to facilitate timely progression of the bidding process.

## 5.2 Determination of Winning Tranches, Winning Bidders, and Winning Prices

At the close of the auction, the winning tranches, winning bidders, and winning prices will be determined as follows.

As a result of the EOR procedure as described above, there are two possible scenarios for a product at the close of the auction.

### 5.2.1 Bid Stack for a Product has All Tranches at the Same Price

In this scenario, there are no rolled-back tranches in the product's bid stack: all tranches in the bid stack were bid at the last announced price, including any tranches bid on the product in the last round of the auction as determined by the EOR procedure. That announced price is the product's clearing price, and all tranches in the product's bid stack are winning tranches if the clearing price satisfies the product's reservation price. Bidders who bid those tranches are winning bidders for those tranches, and all bidders with winning tranches on a product are paid the same price — i.e., the clearing price — for each winning tranche on the product. Note that this scenario includes the case in which a product was over-subscribed at some point in the auction and later became subscribed, as well as the case in which a product was always under-subscribed in the auction (i.e., it was never subscribed or over-subscribed in the auction).

### 5.2.2 Bid Stack for a Product has Tranches at Two Different Prices

In this scenario, there are rolled-back tranches in the product's bid stack: some tranches in the bid stack were bid at the last announced price (including any tranches bid on the product in the last round of the auction as determined by the EOR procedure), and some tranches in the bid stack were bid at the next most recent announced price. In this case, the product's clearing price is the next most recent announced price — which necessarily is higher than the last announced price for the product. All tranches in the product's bid stack are winning tranches if the clearing price satisfies the product's reservation price. Bidders who bid those tranches are winning bidders for those tranches, and all bidders with winning tranches on a product are paid the same price — i.e., the clearing price — for each winning tranche on the product.

## 5.3 Example of Round-by-Round Bidding

Appendix A provides an illustrative example of round-by-round bidding.



## 5.4 Reporting Round Results

During a round, a bidder can see the current status of the auction and the status of the current round including the announced price for each product as well as the bidder's own bidding status. A bidder will not see information about other bidders.

Between rounds the Bidding Website will report the results for the most recently completed round. Results for all prior rounds also will be accessible. The round results for each completed round in the auction will show:

- The announced price for each product and a range of total supply across all bidders and all products (that is, a range that includes the total number of tranches bid). The range of total supply will be defined by two different integers. Actual total supply will not be reported but will be at least as high as the lower of the two integers and no higher than the higher of the two integers. There is an exception to reporting total supply as a range of two integers: if and when total supply has declined below a pre-determined level, total supply will be reported simply as being below that level. The reporting ranges will be made available to bidders in advance of each auction.
- For each bidder, that bidder's bid for the round — i.e., the number of tranches bid on each product — and the bidder's eligibility for the next round. (Each bidder does not see information about other bidders.)
- The announced price for each product for the next round if the auction will continue with the next round.

## 5.5 Frequency of Rounds

The early rounds of bidding may be longer in duration than later rounds. The duration of a bidding round will be at least five (5) minutes.

The time between early rounds of bidding may be longer in duration than for later rounds. The time between bidding rounds will be at least five (5) minutes.

The schedule of rounds and any changes to the schedule will be made available to bidders through the Bidding Website.

## 5.6 Auction Pause Declared by Independent Evaluator

At any time during the auction, the Independent Evaluator may decide to pause the auction. This is not expected to happen often if at all. If the Independent Evaluator pauses the auction or changes the round schedule in any way, bidders will be notified.

## **6. AFTER THE AUCTION CLOSES**

### **6.1 Notification of Results**

At the close of the auction, the Independent Evaluator will notify the Companies, the Commission, and the bidders as follows.

- The Independent Evaluator will notify the Companies and the Commission of the identities of the winning bidders, the number of tranches won by each winning bidder, the prices for the tranches won, and other aggregated information on the bidding process.
- The Independent Evaluator will notify each winning bidder of how many tranches the bidder has won and at what prices. The Independent Evaluator also will notify the unsuccessful bidders that they have not won any tranches.

The names of the winning bidders, the number of tranches won by each bidder, and the winning prices will remain confidential until released publicly by the Commission or as required by law.

The auction results are tentative subject to Commission approval.

After the conclusion of the auction and provision of the auction results to the Commission by the Independent Evaluator, the Commission is expected to make a decision within two business days to approve or reject the auction results.

### **6.2 Execution of SMA**

The winning bidders and the Companies will execute the SMA within three (3) business days following the Commission's approval of the auction results. If the supplier has already executed a SMA with the Company they have won tranches for, they will only need to execute the Transaction Confirmation. Each winning bidder must demonstrate compliance with the creditworthiness requirements set forth in the SMA.

### **6.3 Sanctions for Failure to Execute the SMA**

A winning bidder's pre-bid security posted with its Part 2 Application may be forfeited if the winning bidder does not execute the SMA within three (3) business days following the Commission's approval of the auction result, if it fails to demonstrate compliance with the creditworthiness requirements set forth in the SMA, or if it fails to agree to any of the terms of the SMA. In addition, the winning bidder will be liable for damages incurred by the Companies, which will be determined in accordance with the terms of the SMA as though the winning bidder were a defaulting party to the SMA.

## **7. USE OF THE BIDDING WEBSITE**

Bidders will bid in the auction by accessing the Independent Evaluator's secure Bidding Website. A bidder will access the Bidding Website using their own Web browser. The URL address for the Bidding Website, as well as usernames and passwords, will be provided to Registered Bidders prior to the start of the auction.

The Bidding Website allows a Registered Bidder to submit and confirm bids, to verify its status, to view results from prior rounds, to view the schedule of rounds, and to view messages from the Independent Evaluator.

## **7.1 Importance of Confirmed Bids**

Submitting a bid on the Bidding Website involves three steps:

- (1) Web page for entry and submission of the bid quantities. The bidder enters its desired bid and then submits the bid in order to proceed to the next step.
- (2) Web page for validation of the bid. The bidder is asked to review the bid it submitted in the first step before proceeding to the confirmation step.
- (3) Web page showing confirmation of the bid. The bidder receives a unique confirmation ID for the bid and the time-stamp at which the bid was recorded by the Bidding Website server.

It is important to note that a bid is not accepted and recorded as an accepted bid until and unless the bidder reaches the third step in which the bid confirmation Web page displays the unique confirmation ID and time-stamp for the bid.

## **7.2 Requirements for Using the Bidding Website**

Access to the Bidding Website requires all of the following:

- Username and password provided by the Independent Evaluator.
- Access to the Internet.
- Use of one of the more recent versions of a standard Web browser.
- Status as a Registered Bidder.

A bidder loses access to the Bidding Website after it no longer is possible for the bidder to win tranches in the auction.

## **7.3 Messaging**

The Bidding Website displays messages from the Independent Evaluator. These messages from the Independent Evaluator are displayed for all bidders with access to the Bidding Website.

## 8. BACKUP BIDDING PROCEDURES

In case a bidder has technical difficulties, and as a result is not able to submit a bid via the Bidding Website in a round, backup bidding procedures will be provided as described below. Note that the Authorized Representative and the Delegate automatically are designated as authorized bidders. Requests to designate additional authorized bidders must be sent to the Independent Evaluator in writing prior to the start of round 1 of the auction.

- (1) Option 1. Upon encountering a technical difficulty, it is recommended that the bidder call the Independent Evaluator's Help Desk and inform the Help Desk operator that it would like to submit a bid over the phone. The Help Desk operator will verify the identity of the caller, for example by asking for the bidder's company name, and the first and last name of the caller, along with the username and password of the bidder. Then a member of the Independent Evaluator team will attempt to enter the bid on the Bidding Website on behalf of the bidder. Please note that the Independent Evaluator can accept bids over the phone only from callers that have been identified as authorized bidders by the bidder company.
- (2) Option 2. In case the bidder is unable to place a call to the Independent Evaluator's Help Desk, it is recommended that the bidder submit its bid via email to the Independent Evaluator. If possible, the email should be sent using encrypted email. Once the backup bid is received via email, a member of the Independent Evaluator team will attempt to enter the bid on the Bidding Website on behalf of the bidder. Note that prior to the auction, bidders will be provided with one or more forms to use for submitting a bid using this email-based backup bidding procedure.
- (3) Option 3. In case the bidder is unable to place a call to the Independent Evaluator's Help Desk or to submit a bid via email, the bidder should use the Backup Bidding Fax Number to submit its bid via facsimile. Once the backup bid is received via facsimile, a member of the Independent Evaluator team will attempt to enter the bid on the Bidding Website on behalf of the bidder. Note that prior to the auction, bidders will be provided with the Backup Bidding Fax Number and with one or more forms to use for faxing a bid using the faxed-based backup bidding procedure.

Bidders must be aware and understand that there is no guarantee or other assurance that if it submits a bid using a backup bidding procedure that its bid will be submitted and confirmed on its behalf by the Independent Evaluator team consistent with the intentions of the bidder and in time before the round ends.

If a backup bid submitted by a bidder is not accepted and confirmed by the Bidding Website because the round has ended, a default bid will be entered for the bidder as described above in the sections on default bids.

If a backup bid submitted by a bidder is not accepted and confirmed by the Bidding Website for other reasons (e.g., the number of tranches bid is greater than a bidder's eligibility or violates the bidder's credit-based tranche limit or applicable load cap), the Independent Evaluator team will use reasonable efforts to inform the bidder that a new bid must be submitted.

If a backup bid submitted by a bidder is confirmed by the Bidding Website, the Independent Evaluator team will contact the bidder and provide the confirmation of the accepted bid to the bidder.

Bidders use the backup bidding procedures at their own risk. In all cases involving backup bids, the Independent Evaluator team does not accept any responsibility, obligation, or liability for errors, omissions, timeliness, or otherwise, related to whether a backup bid is entered into and confirmed by the Bidding Website on behalf of the bidder or as intended by the bidder.

## **9. WHO TO CONTACT IN CASE OF PROBLEMS DURING THE AUCTION**

A bidder should contact the Help Desk if it has questions or problems. The phone number for the Help Desk will be provided to bidders prior to the start of the auction.

## **10. CONTINGENCY PLAN**

There is a contingency plan to cover three scenarios:

- At least one of the products in an auction is not fully subscribed.
- At least one of the winning suppliers defaults prior to the start of the delivery period or at any time during the delivery period.
- A Capacity Proxy Price is utilized.

### **10.1 If an Auction is Not Fully Subscribed**

In the event that an auction is not fully subscribed, the Companies will re-bid the unfilled tranches from that auction provided the start of the delivery period for the tranches is more than 30 calendar days away. If the delivery period is more than 30 calendar days away:

- The unfilled tranches will be re-bid in the next scheduled auction — if there is sufficient calendar time to include the unfilled tranches — where supply is sought with the same delivery start date as the unfilled tranches.
- If there is no such scheduled auction, then the unfilled tranches will be re-bid in a separate solicitation no later than 30 calendar days before the original delivery start date.

For any remaining unfilled tranches, the Companies will purchase the necessary physical supply through PJM administered markets and meet any AEPS compliance requirements through purchases at market prices.

## **10.2 If a Winning Bidder Defaults**

If a winning bidder defaults prior to the start of or during the delivery period, the Companies will offer the unfilled tranches to the other Registered Bidders who participated in the most recent solicitation. The Companies will enter into an agreement with the Registered Bidder or Bidders offering the best terms for the unfilled tranches resulting from the default, provided the prices offered by such bidder or bidders are consistent with the original prices under which the unfilled tranches were procured and changes in market conditions from the time when the original tranches were procured. If the Companies are not able to enter into such agreement and a minimum of 30 calendar days exists prior to the start of the delivery period, the Companies will seek to bid the defaulted tranches in the next scheduled solicitation for supply with the same start date as the unfilled tranches or in a separate supplemental competitive solicitation. As with other unfilled tranches described above, if insufficient time exists to conduct an additional competitive solicitation, or if the supplemental solicitation is unsuccessful, the Companies will supply the tranches using PJM-administered markets. In addition to damages to which the Companies may be entitled, costs incurred by the Companies in implementing this contingency plan for supply and AEPS requirements will be assessed against the defaulting supplier's credit security, to the extent available.

## **10.3 If a Capacity Proxy Price ("CPP") is Used**

Each Billing Month, the Company will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Fixed Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown on the Transaction Confirmation(s) for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage, if applicable, as shown on the Transaction Confirmation(s) for each hour of the Billing Month. For each Billing Month after the Capacity Proxy Price is known, the Companies will apply the Capacity Proxy Price true-up across the entire contract term. The calculation of the day weighted average capacity price adjustment for purposes of determining the true-up amount will reflect final unforced capacity (i.e., UCAP) quantity weighting. For example, for a 24-month contract term, the Companies will calculate the relevant 24-month average capacity price adjustment by appropriately weighting the amount of capacity (i.e., the final UCAP quantity) purchased by the supplier at each PJM capacity price.

## **11. COMMUNICATIONS PROTOCOLS**

The communications protocols described here are intended to promote a fair, open, transparent, objective, and non-discriminatory auction. These protocols also are intended to protect proprietary information of participants and information that, should it be released, would be detrimental to the outcome of the auction process or future solicitations.

### **11.1 The Companies and Affiliates**

#### **11.1.1 Internal Communications**

The Companies will designate individuals to work on the auction process. These individuals directly or indirectly will not have communication with, or exchange information with, any individuals of an affiliate of the Companies that may bid in the auction process where such communication or information is related directly or indirectly to this auction process.

#### **11.1.2 Communications with Bidders**

The Companies will not communicate with bidders prior to the selection of winning bids. When the Independent Evaluator informs the Companies about the prices and tranches of the winning bids and the identity of winning bidders in accordance with Section 6.1 of the Bidding Rules, representatives from the Companies then will communicate with the winning bidders in order to execute the necessary documents.

If a bidder attempts to contact the Companies regarding the auction process by phone call, email, fax, or other means, the Companies will direct the bidder to the Information Website and/or to the Independent Evaluator.

#### **11.1.3 Part 1 Application Process**

For the Part 1 Application process, the Independent Evaluator will need to provide the names of applicants to the Companies' credit department for purposes of confirming the applicants' credit requirements.

#### **11.1.4 Part 2 Application Process**

For the Part 2 Application process, the Independent Evaluator will need to provide the aggregate eligibility and other information from the Part 2 Applications to the Companies with the names of applicants redacted.

### **11.2 General Public and Media**

While bidding is in progress, there is to be no communication with the media or the public. After the auction process is completed, results are determined, and bidders have been notified, all media inquiries will be forwarded to the Companies.

### 11.2.1 The Information Website

The central source of information made available publicly and to bidders is the Information Website. The Independent Evaluator will manage the information flow on the Information Website and will be designated on the Website as the contact for any questions or inquiries from parties. Any party will have access to the public sections of the Information Website.

### 11.2.2 Frequently Asked Questions

Among other information and resources on the Information Website, there will be an FAQ (frequently asked questions) section with posted questions and answers. As inquiries are received, they will be converted into an FAQ and posted on the Information Website without revealing the identity of the party posing the inquiry.

Inquiries to be answered by the Companies will be forwarded by the Independent Evaluator to the Companies. Inquiries to be answered by the Independent Evaluator will be forwarded to the Companies with a draft response. Any inquiry or draft response forwarded by the Independent Evaluator to the Companies will not identify the party posing the inquiry. Both the Companies and the Independent Evaluator will review any inquiry and response before the FAQ is posted to the Information Website.

### 11.2.3 Registered Users

If a party wishes to receive notices and updates regarding public information and new postings to the Information Website, then the party can register through the Information Website to become a Registered User.

Any information the Independent Evaluator has concerning the auction process that is relevant and that can be disclosed publicly will be made available equally to all Registered Users in a timely manner. The method of such communication likely will be via the Information Website and/or emails to Registered Users using the BCC email field so identification of Registered Users is not disclosed to other Registered Users.

### 11.2.4 Press Releases

The Companies and/or the Independent Evaluator may issue one or more press releases or may place news items in the trade press with the intent to disseminate information about the auction process in an efficient, fair, and timely manner.

### 11.2.5 Answering Inquiries from the General Public or Media

Inquiries from the general public or the media to the Independent Evaluator will be directed to the Information Website.



## **11.3 Bidders**

### **11.3.1 Communications Among Bidders**

Bidders are prohibited from communicating with each other in ways that would compromise the integrity and competitiveness of the auction process. Sanctions will be applied if these rules are violated.

### **11.3.2 Communications between the Independent Evaluator and Bidders**

The central source of information made available to bidders is the Information Website. The Website facilitates making information available equally to bidders in a timely manner.

Bidders are encouraged to become Registered Users of the Information Website to receive ongoing information about the auction process. As discussed above, once registered through the Information Website, Registered Users will receive notifications from the Independent Evaluator about updates to the auction process and to the Information Website.

If the Independent Evaluator receives an inquiry from a party and prepares a response that would be relevant for other parties, the Independent Evaluator will ensure the information will be made available equally to all Registered Users in a timely manner and will post the information on the Information Website and/or will email the Registered Users without revealing the identity of parties.

In addition to posting information to the Information Website, the Independent Evaluator may contact bidders directly in order to seek or provide information about the auction process in a way that does not advantage any bidder.

Any communications from the Independent Evaluator to a bidder will not reveal the identity of other bidders.

### **11.3.3 Bidding Process**

During the auction, the Independent Evaluator, the Commission, and Companies' personnel may monitor the bidding process.

The Independent Evaluator will ensure the bids submitted by bidders conform to the rules of the auction process.

The Bidding Rules and pre-determined bid selection criteria will be applied to determine which bids, if any, are winning bids.

### **11.3.4 Limitations on Disclosures by Bidders**

Bidders are not allowed to disclose they are participating in the Fixed-Price Auction or the Hourly-Priced Auction, and winning bidders are not allowed to disclose that they have won any tranches in the Fixed-Price Auction or the Hourly-Priced Auction until the Commission publicly reports the results of the auction. Such limitation on public disclosure by bidders is waived if disclosure is required by law.

## **11.4 The Commission**

### **11.4.1 Communications with the Independent Evaluator**

During the bidding process, the identity of bidders, prices, and the number of tranches bid will be kept confidential. This information may be released to the Commission after the auction results are finalized.

### **11.4.2 Communications with the Companies**

The Commission may communicate with the Companies regarding the auction process. However, the Companies will not disclose any proprietary information until after the final round of the auction is completed and bidders are informed of the results of the auction.

### **11.4.3 Communications with Bidders**

The Commission will not communicate with bidders about the auction process prior to the determination of winning bids. If a bidder attempts to contact the Commission by phone call, email, fax, or other means, the Commission will direct the bidder to the Information Website and/or to the Independent Evaluator.

### **11.4.4 Information on Auction Participation**

In order to maintain confidential and proprietary information provided by bidders as part of the auction process, the identity of all bidders that submitted Part 1 and/or Part 2 Applications in the auction and the indicative offers will be kept confidential until released publicly by the Commission. The Commission may elect to keep these data confidential at its sole discretion.

### **11.4.5 Round-by-Round Bids**

Round-by-round bids by bidders will be kept confidential pursuant to the confidentiality provisions of the Bidding Rules and the SMA for as long as the Companies continue to procure Default Service.

## **12. CONFIDENTIAL INFORMATION, CERTIFICATIONS, AND SANCTIONS**

### **12.1 Confidential Information**

Confidential Information relative to bidding strategy means information relating to a bidder's bid(s) in the auction, whether transmitted in writing or verbally, which if it were to be made public likely would have an effect on any of the bids that another bidder would be willing to submit. Confidential Information relative to bidding strategy includes (but is not limited to): a bidder's strategy; a bidder's indicative offer; the quantities that a bidder wishes to supply; the bidder's estimation of the value of a tranche; the bidder's estimation of the risks associated with serving the load for the auction; and a bidder's contractual arrangements for purchasing power to serve such load were the bidder to win tranches in the auction.

Confidential Information regarding the auction means information that is not released publicly by the Commission, the Companies or the Independent Evaluator and that a bidder acquires as a result of participating in the auction, whether transmitted in writing or verbally, which if it were to be made public could impair the integrity of current or future solicitations, impair the ability of the Companies to hold future solicitations, or harm consumers, bidders or applicants. Confidential Information regarding the auction includes (but is not limited to): the list of Qualified Bidders, the list of Registered Bidders, the initial eligibility, the status of a bidder's participation, and all non-public reports of results and announcements made by the Independent Evaluator to any or all bidders in this auction.

Confidential Information may not receive continued confidential or protected treatment should: (a) a bidder publicly disclose Confidential Information relating solely to that bidder; or (b) public disclosure is required or compelled by the Commission, a court or otherwise by law. The Independent Evaluator, the Commission, and the Companies shall not be liable for such public disclosures or, so long as reasonable measures have been taken to keep such information confidential, any other public disclosure of Confidential Information. By participating in this auction process, each bidder acknowledges and agrees to the confidentiality provisions set forth herein, as well as any limitations thereto.

In addition, the bidder agrees the bidder's data and information submitted in this auction process will be disclosed if required by any federal, state or local agency (including, without limitation, the Commission) or by a court of competent jurisdiction. However, the Companies will endeavor to notify the bidder in advance of such disclosure. In any event, neither the Companies nor the Independent Evaluator, nor any of their employees or agents, will be responsible to the bidders or any other party, or liable for any disclosure of such designated materials before, during or subsequent to this auction. Notwithstanding the above, the Companies and the Independent Evaluator reserve the right to use and communicate publicly and/or to third parties any and all information/data submitted as part of this auction process in any proceedings before FERC, the Commission, and any other regulatory body and the courts, if necessary, without the prior consent/approval of, or notice to, any such bidder. The bidder expressly agrees that the Companies may provide bidder information on a confidential basis to the Commission, the Pennsylvania Office of the Consumer Advocate, and the Office of Small Business Advocate as necessary for compliance with any default service procurement reporting obligations.

## **12.2 Certifications and Disclosures to Be Made**

A prospective bidder will be required in its Part 1 Application to disclose any bidding agreement or any other arrangement in which the prospective bidder may have entered and that is related to its participation in the auction. A prospective bidder that has entered into such an agreement or arrangement must name the entities with which the prospective bidder has entered into a bidding agreement, or a joint venture for the purpose of participating in the auction, or a bidding consortium, or any other arrangement pertaining to participating in the auction. A bidding consortium is a group of separate businesses or business people joining together to submit joint bids in the auction.

In addition, a prospective bidder will be required to make the certifications listed in the Part 1 and Part 2 Applications.

The Commission may publicly release the winning prices and the names of the winning bidders from the auction. The Commission may choose to release additional information. After the auction, a winning bidder itself may release information regarding the number of tranches it has won, and a non-winning bidder itself may release information only regarding the fact that it participated in the auction. The winning bidders and the non-winning bidders otherwise continue to be bound by their certifications as described previously. In particular, no winning bidder and no non-winning bidder itself can reveal the winning prices of the auction prior to these being publicly released by the Commission.

### **12.3 Actions to Be Taken if Certifications Cannot Be Made**

If a bidder cannot make all the certifications above, the Independent Evaluator will decide within five (5) days following the deadline to submit the Part 2 Application on a course of action on a case-by-case basis. To decide on this course of action, the Independent Evaluator may make additional inquiries and information requests to understand the reason for the inability of the bidder to make the certification.

If Qualified Bidders do not comply with additional information requests by the Independent Evaluator regarding certifications required in the Part 2 Application, the Independent Evaluator may reject the application.

### **12.4 Sanctions for Failure to Comply**

Sanctions may be imposed on a bidder for failing to properly disclose information relevant to determining associations, for coordinating with another bidder, for failure to abide by any of the certifications made in its Part 1 Application or Part 2 Application, for releasing Confidential Information or disclosing information during the auction (aside from only specific exceptions provided with respect to entities explicitly named in the Part 1 Application as entities that are part of a bidding agreement or other arrangement), and in general for failing to abide by any of the communications protocols in the section, "Communications Protocols," of these Bidding Rules. Such sanctions can include, but are not limited to, any one or more of the following:

- Termination of the SMA.
- The loss of all rights to provide tranches won by such bidder.
- The forfeiture of letters of credit and other fees posted or paid.
- Action (including prosecution) under applicable state and/or federal laws.
- Attorneys' fees and court costs incurred in any litigation that arises out of the bidder's improper disclosure.
- Debarment from participation in future solicitations.
- And/or other sanctions that may be appropriate.

Should such an event occur, the Independent Evaluator will make a recommendation to the Companies regarding sanctions. The imposition of such sanctions will be at the discretion of the Companies.

### **13. BIDDER ASSOCIATIONS**

A Qualified Bidder is associated with another Qualified Bidder if the two bidders have ties that could allow them to act in concert or that could prevent them from competing actively against each other.

The competitiveness of the auction and the ability of the auction to produce competitive prices may be harmed by the coordinated or collusive behavior that associations among bidders may facilitate. As a result, the Independent Evaluator has developed standards that apply when associated parties apply to participate in FP and/or HP auctions. The following sections outline the specific protocols that will be followed when associated entities submit Part 1 and/or Part 2 Applications to participate in an auction for the Companies.

#### **13.1 Procedure Followed by the Independent Evaluator**

Potential associations among participants may come to the attention of the Independent Evaluator at different points in the bidder qualification application process. In order to improve the process efficiency and minimize the risk of disclosure of potentially confidential information, the Independent Evaluator will approach each case as described below.

##### **13.1.1 Following the Receipt of the Part 1 Applications**

Potential associations among applicants may become apparent after the Part 1 Applications are submitted but before Qualified Bidders are required to disclose such associations as part of their Part 2 Applications. The Independent Evaluator will take no action related to potential associations until each party submits their completed Part 1 Application. In cases where there is an apparent relationship among applicants, the Independent Evaluator will initiate a request for additional information regarding the relationship among the potentially associated parties, the structure of their organization, and the independence of the respective bidding teams.

In such cases, the Independent Evaluator will notify representatives of the Companies and Commission Staff that there is a potential association among applicants.

In addition, as outlined in the Part 2 Application, the Independent Evaluator reserves the right to request additional information from each party including, but not necessarily limited to:

- (a) Information on how the entity maintains its independence from the associated party including any available supporting documentation such as a Corporate Separation Agreements, Codes of Conduct, and/or organization charts.
- (b) A list of individuals within the organization who have played or will play a material role in the auction(s).
- (c) Information regarding the nature of any work done in conjunction with or on behalf of the associated party.
- (d) Information describing the organizational structure of the associate(s), identifying common management and oversight among the associated entities as well as the management involved in or responsible for bid approval.
- (e) The internal process or protocol related to determining indicative offers submitted as part of the Part 2 Application.
- (f) Disclosure of whether the entity is bidding on behalf of itself or acting as an agent for other entities.

Any responses to the above will be treated as confidential if labeled as such.

### 13.1.2 Following the Receipt of the Part 2 Applications

In some cases, the potential relationship among Qualified Bidders will not be known to the Independent Evaluator until the Qualified Bidders submit final certifications along with their Part 2 Applications. In such cases, the Independent Evaluator will initiate the steps outlined above, upon receipt of the completed Part 2 Applications.

After the Independent Evaluator has requested and received additional information from each associated bidder, the Independent Evaluator will work with representatives of the Companies and Commission Staff to determine:

- (a) Whether each of the associated bidders will be allowed to participate independently in the auction(s);  
and
- (b) Any restrictions that may be applied as a result of the participation by associated bidders.

Any restrictions will be based on the information provided by the associated bidders as part of the Part 1 Application, the Part 2 Application, and the additional information that was provided at the request of the Independent Evaluator.

## **13.2 Remedies and Actions Related to Participation by Associated Bidders**

This section summarizes the potential restrictions that will be considered by the Independent Evaluator, the Companies, and Commission Staff in relationship to associated participation. Restrictions on participation may include, but may not be limited to, the following:

- (a) Indicative offers may be restricted such that any applicable load cap may apply across the associated bidders;
- (b) Pre-bid security or collateral requirements may be altered for the associated bidders to ensure that associated bidders do not gain a competitive advantage over other bidders; and,
- (c) In some cases, one or more associated bidders may not be allowed to participate in the auction(s).

## **13.3 Handling of Confidential Information**

In order to execute the process of gathering information on associated entities and executing the remedies outlined above, there may be situations that require the Independent Evaluator to share, directly, certain confidential information among the associated parties, the Companies, and the Commission and its Staff.

In addition, as part of the remedies outlined in above, an associated party may gain access to or be able to ascertain certain confidential information of the other associated entities. While access to such information otherwise may be counter to certifications in the Part 2 Application, access to such information acquired through the data gathering and remedies related to associated bidders will not be considered a violation of the auction rules.

Confidential information includes but may not be limited to the initial eligibility for each associated bidder based on indicative bids submitted with the Part 2 Application. The Independent Evaluator will make reasonable efforts to minimize the disclosure of any such confidential information.

## **14. MISCELLANEOUS**

### **14.1 Warranty on Information**

The information provided for the auction, including but not limited to information provided on the Information Website, has been prepared to assist bidders in evaluating the auction process. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. Neither the Companies nor the Independent Evaluator make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, either individually or as a corporation, be liable for any representation expressed or implied in the auction process or any omissions from the auction process, or any information provided to a bidder by any other source. A bidder should check the Information Website frequently to ensure it has the latest documentation and information. Neither the Companies, nor the Independent Evaluator, nor any of their representatives, shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of information.

## **14.2 Hold Harmless**

Bidder shall hold the Companies and the Independent Evaluator harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise in connection with the auction process or the award of a bid pursuant to the auction process.

## **14.3 Bid Submissions Become the Companies' Property**

All bids submitted by bidders participating in the auction will become the exclusive property of the Companies upon conclusion of the auction process.

## **14.4 Bidder's Acceptance**

Through its participation in the auction process, a bidder acknowledges and accepts all the terms, conditions and requirements of the auction process and the SMA.

## **14.5 Permits, Licenses, Compliance with the Law and Regulatory Approvals**

Bidders shall obtain all licenses, permits and status that may be required by any governmental body, agency or organization necessary to conduct business or to perform hereunder. Bidders' subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

## **14.6 Auction Intellectual Property**

All title, interests and other intellectual property rights in and to the auction design, the auction format and methodology, the auction software, the source code (including all modifications, enhancements, customization, adaptations and derivative works made by the Independent Evaluator) and associated documentation, including but not limited to these Bidding Rules, and the screen formats and forms designed by the Independent Evaluator (the "Auction Software"), are proprietary to the Independent Evaluator and all rights, title, and interest to the Auction Software remain with the Independent Evaluator. The Independent Evaluator grants Qualified Bidders a non-exclusive, non-transferable, limited license to use the Auction Software, solely for use in connection with the auction, subject to the terms and conditions set forth herein, and not for copying, relicensing, sublicensing, distribution or marketing by the Qualified Bidder. No other interest is conveyed to the Qualified Bidder other than the license expressly granted herein. The foregoing use license shall immediately terminate upon disqualification of the Qualified Bidder or upon termination or completion of the auction process. If at any time it is determined in the Independent Evaluator's sole discretion that the Qualified Bidder is in breach of this Section 13.6, the Independent Evaluator shall be entitled to terminate the Qualified Bidder's access rights to the Auction Software.



Notwithstanding anything herein to the contrary, and without limiting the Qualified Bidder's other obligations herein, the Qualified Bidder shall not, nor shall it permit any third party to: (i) modify, translate or otherwise create derivative works of the Auction Software; (ii) reverse engineer, decompile, decode, disassemble or translate any Auction Software, or output thereof, or otherwise attempt to reduce to human readable form or derive the source code, protocols or architecture of any Auction Software; (iii) use or study any Auction Software, or output thereof, for the purpose of developing any software that is intended to replace, or that has functions, structure or architecture similar to, such Auction Software, or any part thereof; (iv) publish, or otherwise make available to any third party, any benchmark or other testing information or results concerning the Auction Software; (v) permit any other person who is not authorized to access or use all or any part of the Auction Software or (vi) copy the Auction Software, distribute the Auction Software, remove or obscure any proprietary labeling on or in the Auction Software, create any derivative works based on the Auction Software, or modify the Auction Software, in each case, except to the extent expressly permitted by the Independent Evaluator in writing.

In using the Auction Software, a Qualified Bidder shall take steps to prevent any virus, worm, built-in or use-driven destruction mechanism, algorithm, or any other similar disabling code, mechanism, software, equipment, or component designated to disable, destroy or adversely affect the Auction Software from being introduced into the systems.

## APPENDIX A — EXAMPLE OF ROUND-BY-ROUND BIDDING

The illustrative example below shows for two bidders (BidderA and BidderB) and two products (Product-1 and Product-2) the confirmed bids (pre-EOR) and the post-EOR results for each round. In the example, the auction closes after round 4.

### Round 1

For round 1, the announced prices are \$75.00 and \$82.00 for Product-1 and Product-2, respectively. At those announced prices, BidderA bids 55 tranches and 85 tranches on Product-1 and Product-2, respectively. BidderB bids 80 tranches and 27 tranches on Product-1 and Product-2, respectively.

When the round closes the EOR procedure is executed. Each product is over-subscribed: 135 tranches were bid on Product-1 which has a tranche target of 100, and 112 tranches were bid on Product-2 which has a tranche target of 100.

The announced price for Product-1 will be reduced from \$75.00 to \$72.50 for round 2. The announced price for Product-2 will be reduced from \$82.00 to \$78.60 for round 2.

BidderA will have eligibility of  $55+85 = 140$  tranches for round 2, and BidderB will have eligibility of  $80+27 = 107$  tranches for round 2.

### Round 2

At the announced prices for round 2, BidderA bids 40 tranches and 85 tranches on Product-1 and Product-2, respectively. Thus, BidderA reduced its tranches bid on Product-1 from 55 to 40 tranches. BidderB bids 50 tranches and 57 tranches on Product-1 and Product-2, respectively. Thus, BidderB switched 30 tranches from Product-1 to Product-2.

When the round closes the EOR procedure is executed. Product-1 is under-subscribed by 10 tranches: only 90 tranches bid against the tranche target of 100 tranches: BidderA's bid represents a reduction in its eligibility by 15 tranches, while BidderB's bid maintained its eligibility. Thus, 10 of the 15 eligibility reduction tranches of BidderA are rolled back on Product-1. Those 10 tranches are priced at the announced price for Product-1 at which they were bid in round 1: \$75.00. The announced price for Product-1 will remain at \$72.50 for round 3.

Product-2 is over-subscribed by 42 tranches. The announced price for Product-2 will be reduced from \$78.60 to \$76.10 for round 3.

BidderA will have eligibility of  $50+85 = 135$  tranches for round 3 (including the 10 tranches rolled back on Product-1), and BidderB will have eligibility of  $50+57 = 107$  tranches for round 3.

### Round 3

At the announced prices for round 3, BidderA bids 99 tranches and 36 tranches on Product-1 and Product-2, respectively. Thus, BidderA is switching 49 of the tranches bid from Product-2 to Product-1. BidderB bids 50 tranches and 35 tranches on Product-1 and Product-2, respectively. Thus, BidderB is reducing its tranches bid on Product-2 from 57 to 35 tranches.

When the round closes the EOR procedure is executed. Product-1 is over-subscribed by 49 tranches. Product-2 is under-subscribed by 29 tranches: only 71 tranches bid against the tranche target of 100 tranches: BidderA's bid maintained its eligibility while BidderB's bid represents a reduction in its eligibility by 22 tranches. Thus, all 22 of the eligibility reduction tranches of BidderB are rolled back on Product-2. Those 22 tranches are priced at the announced price for Product-2 at which they were bid in round 2: \$78.60. Even after rolling back those 22 eligibility reduction tranches of BidderB, Product-2 still is under-subscribed — by 7 tranches. So 7 tranches that BidderA had switched from Product-2 to Product-1 are rolled back to Product-2. Those 7 tranches are priced at the announced price for Product-2 at which they were bid in round 2: \$78.60.

After rolling back 7 tranches from Product-1 to Product-2 for BidderA, BidderA still has increased the number of tranches it is bidding on Product-1: from 50 tranches bid in round 2 (10 tranches at \$75.00 and 40 tranches at \$72.50) to 92 tranches bid in round 3 (10 tranches at \$75.00 and 82 tranches at \$72.50). Product-1 is over-subscribed as a result, so higher-priced tranches in Product-1's bid stack can be removed. All 10 of BidderA's higher-priced tranches are removed from Product-1's bid stack, and these 10 tranches become BidderA's free eligibility for round 4. In round 4, BidderA can bid any of the 10 tranches on any product, but to the extent those 10 tranches are not bid on a product in round 4, those free eligibility tranches and their associated eligibility for BidderA will be permanently removed from the auction after round 4.

Because Product-1 is over-subscribed, the announced price for Product-1 will be reduced from \$72.50 to \$70.15 for round 4. Because Product-2 is not over-subscribed, the announced price for Product-2 will remain at \$76.10 for round 4.

BidderA will have eligibility of  $82+43+10 = 135$  tranches for round 4, and BidderB will have eligibility of  $50+57 = 107$  tranches for round 4 (including the 22 tranches rolled back on Product-2).

## Round 4

At the announced prices for round 4, BidderA bids 46 tranches and 43 tranches on Product-1 and Product-2, respectively. Thus, BidderA reduced its tranches bid on Product-1 from 82 to 46 tranches. BidderB bids 32 tranches and 57 tranches on Product-1 and Product-2, respectively. Thus, BidderB reduced its tranches bid on Product-1 from 50 to 32 tranches.

When the round closes the EOR procedure is executed. Product-1 is under-subscribed by 22 tranches: only 78 tranches bid against the tranche target of 100 tranches: BidderA's bid represents a reduction in its eligibility by 36 tranches, while BidderB's bid represents a reduction in its eligibility by 18 tranches. Of the 54 fewer tranches bid on Product-1, 36 were eligibility reductions from BidderA and 18 were eligibility reductions from BidderB. Of those 54 fewer tranches bid,  $100-78 = 22$  tranches need to be rolled back on Product-1. The selection of which tranches are rolled back is done by assigning random numbers tranche by tranche (not bidder by bidder) to each of the 54 fewer tranches bid on Product-1. On average, the selection of the rolled back tranches will be proportional based on the number of tranches by which each bidder reduced its bid on the product. Thus, if the assignment of random numbers and selection of rolled back tranches were repeated many times, the number of rolled back tranches for BidderA on Product-1 would be expected to be 15 on average or  $(82-46)/(132-78)*(100-78) = 36/54*22$ , rounded, and the number of rolled back tranches for BidderB on Product-1 would be expected to be 7 on average:  $(50-32)/(132-78)*(100-78) = 18/54*22$ , rounded.

## **Auction Close**

After the rollback is done for Product-1, it is determined that no product is over-subscribed and no bidder has free eligibility tranches. Thus, the criteria are met for closing the auction.

Product-1's bid stack has tranches bid at \$72.50 and tranches bid at \$70.15. So Product-1's clearing price is the higher of the two, or \$72.50. BidderA wins 61 tranches and BidderB wins 39 tranches for Product-1. All 100 tranches procured for Product-1 are paid the price of \$72.50.

Product-2's bid stack has tranches bid at \$78.60 and tranches bid at \$76.10. So Product-2's clearing price is the higher of the two, or \$78.60. BidderA wins 43 tranches and BidderB wins 57 tranches for Product-2. All 100 tranches procured for Product-2 are paid the price of \$78.60.

Bidding Rules to Procure Default Service Products

**Example 2. Round-by-Round Bidding with Pre-EOR and Post-EOR Results**

Round	Product-1					Product-2					Next-Round Eligibility	
	Announced Price	Tranche Target	Tranches Bid	@ Price	Excess Supply	Announced Price	Tranche Target	Tranches Bid	@ Price	Excess Supply	Free	Total
1	\$75.00					\$82.00						
Pre-EOR		100	135		35		100	112		12		
BidderA			55	@ \$75.00				85	@ \$82.00		—	140
BidderB			80	@ \$75.00				27	@ \$82.00		—	107
Post-EOR		100	135		35		100	112		12		
BidderA			55	@ \$75.00				85	@ \$82.00		—	140
BidderB			80	@ \$75.00				27	@ \$82.00		—	107
2	\$72.50					\$78.60						
Pre-EOR		100	90		(10)		100	142		42		
BidderA			40	@ \$72.50				85	@ \$78.60		—	125
BidderB			50	@ \$72.50				57	@ \$78.60		—	107
Post-EOR		100	100		0		100	142		42		
BidderA			50	10 @ \$75.00 40 @ \$72.50				85	@ \$78.60		—	135
BidderB			50	@ \$72.50				57	@ \$78.60		—	107

Bidding Rules to Procure Default Service Products

Round	Product-1					Product-2					Next-Round Eligibility	
	Announced Price	Tranche Target	Tranches Bid	@ Price	Excess Supply	Announced Price	Tranche Target	Tranches Bid	@ Price	Excess Supply	Free	Total
3	\$72.50					\$76.10						
Pre-EOR		100	149		49		100	71		(29)		
BidderA			99	10 @ \$75.00 89 @ \$72.50				36	@ \$76.10		—	135
BidderB			50	50 @ \$72.50				35	@ \$76.10		—	85
Post-EOR		100	132		32		100	100		0		
BidderA			82	@ \$72.50				43	7 @ \$78.60 36 @ \$76.10		10	135
BidderB			50	@ \$72.50				57	22 @ \$78.60 35 @ \$76.10		—	107
4	\$70.15					\$76.10						
Pre-EOR		100	78		(22)		100	100		0		
BidderA			46	@ \$70.15				43	7 @ \$78.60 36 @ \$76.10		—	89
BidderB			32	@ \$70.15				57	22 @ \$78.60 35 @ \$76.10		—	89
Post-EOR		100	100		0		100	100		0		
BidderA			61	15 @ \$72.50 46 @ \$70.15				43	7 @ \$78.60 36 @ \$76.10		—	104
BidderB			39	7 @ \$72.50 32 @ \$70.15				57	22 @ \$78.60 35 @ \$76.10		—	96

Bidding Rules to Procure Default Service Products

	Product-1				Product-2				Tranches Won
	Clearing Price	Tranche Target	Tranches Won		Clearing Price	Tranche Target	Tranches Won		
Results	\$72.50	100	100		\$78.60	100	100		200
BidderA			61				43		104
BidderB			39				57		96

**Part 1 Application**

**For Fixed-Price and Hourly-Priced Auctions**

**To Procure Default Service Products**

**Under Default Service Program DSP-VI for**

**Metropolitan Edison Company (“Met-Ed”)**

**Pennsylvania Electric Company (“Penelec”)**

**Pennsylvania Power Company (“Penn Power”)**

**West Penn Power Company (“West Penn”)**

**Appendix 1 to Bidding Rules**



Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

## **PART 1 APPLICATION**

### **AUCTIONS TO PROCURE DEFAULT SERVICE PRODUCTS FOR MET-ED / PENELEC / PENN POWER / WEST PENN**

#### **INSTRUCTIONS**

There are two parts to the application process.

- **Part 1 Application:** Applicants submit the Part 1 Application and all documents required therein to become Qualified Bidders for the fixed-price auction (“FP Auction”) and/or the hourly-priced auction (“HP Auction”) used to procure default service products for Met-Ed, Penelec, Penn Power, and West Penn (“Companies”). A Qualified Bidder for an auction need not submit a new Part 1 Application for subsequent auctions in the same calendar year unless the information in the Qualified Bidder’s Part 1 Application has changed. In any case, a Qualified Bidder must submit its most recent financial statements during the Part 1 Application process before each auction.
- **Part 2 Application:** Qualified Bidders for the FP Auction and/or the HP Auction submit the Part 2 Application in which they will: (a) agree to comply with the Bidding Rules, (b) agree to accept the terms of the Supplier Master Agreement (“SMA”) should they become a winning supplier, (c) make certifications regarding associations and the handling of Confidential Information, (d) submit Indicative Offers, and (e) post Pre-Bid Security to become Registered Bidders.

This document is the Part 1 Application.

For further information, consult the Information Website.

Unless otherwise defined, capitalized terms in this document have the definitions provided in the SMA. “Communications Protocols” refers to the section “Communications Protocols” and related sections in the Bidding Rules.

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Name of Applicant

## PART 1 APPLICATION SUBMISSION

To become a Qualified Bidder for the FP Auction and/or the HP Auction, Applicants must submit the following to the Independent Evaluator electronically through the Secure Online Application Process by the Part 1 Application Due Date:

- **Electronic Application Form:** Completed Part 1 Application submitted online;
- **PDF Copy Application Form:** A copy of the Part 1 Application document with signatures, and the name of the Applicant on every page of the Application;
- **Supporting Documentation:** A copy of required financial statements and other requested documents supporting the Application as specified in Appendix A; and
- **Changes to Pre-Bid Letter of Credit (Optional):** Any suggested modifications to the template for the Pre-Bid Letter of Credit must be provided to the Independent Evaluator in an electronic, red-lined version.

Proposed modifications to the Pre-Bid Security Letter of Credit and any other inquiries may be directed to the Independent Evaluator by email at [fepaauction@crai.com](mailto:fepaauction@crai.com). Inquiries can also be made through the Information Website.

It is in your interest to seek independent legal and financial advice before deciding to participate in the FP Auction and/or the HP Auction.

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Name of Applicant

**The completed Part 1 Application and any proposed modifications to the Pre-Bid Security Letter of Credit MUST be received by the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time on the Part 1 Application Due Date as posted in the timeline on the Information Website.**

## **CONFIDENTIALITY OF PART 1 APPLICATION SUBMISSIONS**

Confidentiality requirements specific to the Part 1 Application are provided below.

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## **CONFIDENTIALITY OF CREDIT INFORMATION**

Any information and materials that you submit in this Part 1 Application may be provided on a confidential basis to the Independent Evaluator team and the Pennsylvania Public Utility Commission (“Commission”) and their representatives. Information that you provide in this Part 1 Application, except for information regarding bidding agreements provided in Section 1.11, may be provided on a confidential basis to representatives of the Companies for a creditworthiness assessment.

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## **CONFIDENTIALITY OF QUALIFIED BIDDERS**

Upon completion of the Part 1 Application process, the names of Qualified Bidders will be provided to other Qualified Bidders on a confidential basis. As part of this Part 1 Application, you are required to certify that you agree to release your name to other Qualified Bidders and that you will keep confidential the list of Qualified Bidders that is provided to you.

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Name of Applicant

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## **PART 1 APPLICATION**

### **Fixed-Price Auction and Hourly-Priced Auction to Procure Default Service Products**

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This Part 1 Application is the application form to become a Qualified Bidder in the FP Auction and/or the HP Auction.

#### **Background Information**

Before completing this application, please review the Bidding Rules document, the SMA, and other documents posted on the Information Website so that you understand the conditions under which the FP Auction and HP Auction will be conducted.

#### **Confirmation of Receipt**

When your Part 1 Application is submitted online through the Secure Online Application Process, an email will be sent to the Authorized Representative and the Delegate of the Applicant to confirm receipt.

#### **Incomplete Applications**

If your Part 1 Application is incomplete or requires clarification, the Independent Evaluator will send a deficiency notice to your Authorized Representative by email. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 1 Application Due Date, or until 5:00 p.m. prevailing Eastern Time on the Business Day following the Business Day during which a deficiency notice is sent to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 1 Application may be rejected and you may be unable to participate in the FP Auction or the HP Auction. All corrections to remedy deficiencies within an Applicant's Part 1 Application must be submitted online. The Authorized Representative needs to sign and date next to the correction(s) to the Part 1 Application and send a copy as an email attachment to the Independent Evaluator at [feпаauction@crai.com](mailto:feпаauction@crai.com) or through the Secure Online Application Process.

#### **Late Applications**

Part 1 Applications received after the Part 1 Application Due Date will NOT be accepted under any circumstances.

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

**Notification to Qualified Bidders**

If you become a Qualified Bidder for the FP Auction and/or the HP Auction, the Independent Evaluator will send a Notification of Qualification to your Authorized Representative by email after the Part 1 Application Due Date.

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Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

\_\_\_\_\_  
Name of Applicant

**PART 1 APPLICATION FORMS**

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**1.1. Applicant Basic Information**

Name of Applicant (Company Name)

Legal Name of Applicant (if different from above)

Place of Incorporation, if applicable

Federal Tax ID

D&B DUNS #

Please state whether the Applicant is a corporation, partnership, etc.

Years in Business

URL for Applicant's Website

Has the Applicant participated in a prior Met-Ed, Penelec, Penn Power, or West Penn Power Default Service solicitation?

If yes, indicate the most recent auction date (month, year):

\_\_\_\_\_  
Name of Applicant

## 1.2. Authorized Representative

The Authorized Representative is authorized to represent the Applicant in the FP Auction and/or the HP Auction. The Authorized Representative will receive all documentation related to the relevant auction(s) if and when the Applicant becomes a Qualified Bidder and subsequently a Registered Bidder, including any auction procedures and Confidential Information required for the submission of bids in any trial auction(s) and in the actual auction(s). The Authorized Representative must ensure that only authorized persons act on behalf of the Applicant in the FP Auction and/or the HP Auction. The Authorized Representative is the only person authorized to distribute auction procedures and Confidential Information and should do so in accordance with the Communications Protocols. The integrity of the FP Auction and the HP Auction depends upon each Authorized Representative safeguarding Confidential Information and passwords used in the auctions.

**The person designated below is the Applicant's Authorized Representative.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Title			
<input type="text"/>			
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Communications with the Authorized Representative for purposes of the Part 1 Application are typically done via email.**

The Applicant hereby acknowledges that any notification or other communication given by the Independent Evaluator to the Applicant with respect to the Part 1 Application shall be emailed to the email address above.

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

**This certification must be signed by the Authorized Representative.**

I hereby certify that I am authorized by the Applicant to serve as Authorized Representative, to represent the Applicant both (i) in the FP Auction and/or the HP Auction, and (ii) for purposes of this Part 1 Application. I further certify that I will be responsible for all Confidential Information regarding the FP Auction and/or the HP Auction and I will distribute Confidential Information only to other individuals who are authorized to act on behalf of the Applicant according to the Communications Protocols.

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Signature of Authorized Representative

Date



Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

**The person designated in this section by the Applicant is the Delegate. The Delegate serves as a secondary point person for communications with the Independent Evaluator.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Company Name	Title		
<input type="text"/>	<input type="text"/>		
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

\_\_\_\_\_  
Name of Applicant

**1.3. Designation of the Applicant's Authorized Representative and the Applicant's Delegate for the FP Auction and/or the HP Auction**

**This certification should be signed by an officer or director of the Applicant. The person making this certification cannot be either the Authorized Representative or the Delegate.**

I certify that I am an officer or director of the Applicant, empowered to undertake contracts and bind the Applicant. I have read and accept the Bidding Rules, the provisions contained in the SMA, and the provisions of the Communications Protocols pertaining to bidders in the FP Auction and/or the HP Auction.

All the information contained in this Application is true and correct to the best of my knowledge. If there are material changes to the Applicant's information provided in this Part 1 Application, I agree to notify the Independent Evaluator. I designate \_\_\_\_\_ to act as the Authorized Representative of the Applicant in the FP Auction and/or the HP Auction and \_\_\_\_\_ to act as the Delegate for the Authorized Representative. I am not designating myself as Authorized Representative or Delegate.

\_\_\_\_\_  
Signature of Officer or Director of the Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Applicant

**1.4. Applicant's Legal Representative in Pennsylvania**

**Please check here  if the Applicant's Authorized Representative is also the Applicant's Legal Representative.**

The Applicant's Legal Representative in Pennsylvania must:

- be a legal counsel or a representative agent;
- have an address in Pennsylvania; and
- be authorized and agree to accept service of process on the Applicant's behalf.

**The person designated below is the Applicant's Legal Representative or Representative Agent.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Company Name	Title		
<input type="text"/>	<input type="text"/>		
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**This certification must be signed by the Legal Representative.**

I agree to serve as Legal Representative of the Applicant. I am authorized and I agree to receive service of process on the Applicant's behalf.

\_\_\_\_\_  
Signature of Legal Representative

\_\_\_\_\_  
Date

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Name of Applicant

### 1.5. Applicant's Credit Representative

The Applicant's Credit Representative is the Applicant's in-house Credit Representative who can answer questions or provide information about the Applicant's credit with respect to the requirements for the FP Auction and/or the HP Auction.

**The person designated below is the Applicant's Credit Representative.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Title			
<input type="text"/>			
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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Name of Applicant

**1.6. General Requirements to Participate in the Auctions to Procure Default Service Products**

1. If the Applicant already is a Transmission Customer of PJM who has executed the applicable PJM Agreements as that term is defined in the SMA, please check  and please provide a copy of the signature page of the PJM Agreements.

Otherwise, please certify that there exist no known impediments for the Applicant to execute the applicable PJM Agreements prior to the start of the supply period.

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Signature of Authorized Representative

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Date

2. If the Applicant already has PJM E-Accounts necessary to provide Default Service supply, please check  and please provide documentation from PJM that the Applicant has a PJM E-Account.

Otherwise, please certify that there exist no known impediments for the Applicant to establish the PJM E-Accounts necessary to provide Default Service Supply and execute the PJM E-Account contract(s) for the supply period prior to the beginning of the supply period.

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Signature of Authorized Representative

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Date

3. If the Applicant already is a PJM Market Participant and a Load Serving Entity in PJM, please check  and please provide documentation from PJM that the Applicant is a Market Participant.

Otherwise, please certify that there exist no known impediments for the Applicant to become a PJM Market Participant and a Load Serving Entity in PJM by the start of the supply period.

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Signature of Authorized Representative

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Date

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

4. Further, please certify that:

- (a) The Applicant and its corporate officers have no indictments or pending criminal litigation in any federal, state or local jurisdiction relating to the Applicant;
- (b) The Applicant and its corporate officers have no criminal convictions;
- (c) The Applicant has no civil penalties, judgments, sanctions or consent decrees arising out of the violation of any law, rule, regulation or ordinance in connection with its business activities;
- (d) The Applicant has not had any permit or authority to do business in any jurisdiction revoked or suspended; and
- (e) The Applicant has never been barred from public bidding or sanctioned for unauthorized disclosure of Confidential Information.

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Signature of Authorized Representative

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Date

If you are unable to make these certifications in Section 1.6, subsections (1) to (4), please state which certifications you are unable to make and explain all reasons in the space given below.

\_\_\_\_\_  
Name of Applicant

**1.7. Financial and Credit Information for the Applicant**

**Please provide the following information for the Applicant:**

- (a) If the Applicant is not an SEC registrant, provide the most recent Annual Report;
- (b) If the Applicant is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement);
- (c) If the Applicant is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Applicant’s Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant’s financial condition;
- (d) The following financial information along with page references to the relevant financial filings submitted:

	Amount (\$)	Financial Document Page Number	Financial Document Source	Date of Financial Document Source
Goodwill				
Shareholders' Equity				
Net Intangible Assets				

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

Name of Applicant \_\_\_\_\_

- (e) Applicant's senior unsecured debt ratings from the following three rating agencies if available, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

If senior unsecured debt ratings are unavailable, but corporate issuer ratings are available, please provide the corporate issuer ratings, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

- (f) If the Applicant has not been incorporated or otherwise formed under the laws of the United States, the Applicant is asked to provide in addition to (a)-(f) above:
- i. A legal opinion acceptable to the Companies of counsel qualified to practice in the foreign jurisdiction in which the Applicant is incorporated or otherwise formed that the SMA will become the binding obligation of the Applicant in the jurisdiction in which it has been incorporated or otherwise formed.
  - ii. Any additional information that the Applicant wishes to include that could provide comparable credit assurances to those that are provided by other Applicants that have been incorporated or otherwise formed under the laws of the United States.

An Applicant that has not been incorporated or otherwise formed under the laws of the United States and that does not provide this information or any information that could provide comparable assurances of creditworthiness will be required to post the maximum security if they become a winning bidder.



\_\_\_\_\_  
Name of Applicant

Further, if such Applicants become Default Service Suppliers, they will be required to submit additional documents as detailed in Article 6 of the SMA, including:

- A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Default Service Supplier is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Default Service Supplier in the jurisdiction in which it has been incorporated or otherwise formed;
- The sworn certificate of the corporate secretary (or similar officer) of such Default Service Supplier that the person executing the Agreement on behalf of the Default Service Supplier has the authority to execute the Agreement and that the governing board of such Default Service Supplier has approved the execution of the Agreement; and
- The sworn certificate of the corporate secretary (or similar officer) of such Default Service Supplier that the Default Service Supplier has been authorized by its governing board to enter into agreements of the same type as the SMA.

**Is the Applicant and/or its parent:**

	<u>Applicant</u>		<u>Parent</u>	
	Yes	No	Yes	No
Operating under federal bankruptcy laws or bankruptcy laws in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact the Applicant's and/or parent's financial condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to collection lawsuits or outstanding judgments that could impact solvency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

Please provide a statement disclosing any existing, pending or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (state, FERC, SEC or DOJ) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or that materially affect current financial or operational status.

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

\_\_\_\_\_  
Name of Applicant

**1.8. Guarantor Information**

The Guarantor information is required only if the Applicant expects to have a third party act as a Guarantor should the Applicant become a Default Service Supplier.

**Please check here  and proceed to the next section if this section does not apply to you because you will not have a third party act as a Guarantor.**

**Basic Information for the Guarantor**

Name of Guarantor

Legal Name of Guarantor (if different from above)

Place of Incorporation, if applicable

Federal Tax ID

D&B DUNS #

Please state whether the Guarantor is a corporation, partnership, etc.

Years in Business

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

**Guarantor's Contact Information**

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Street Address 1

Street Address 2

City

State

Zip Code

Telephone No.

Cell Phone No.

Fax No.

Fax No.

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

**The Guarantor's Credit Representative**

The Guarantor's in-house Credit Representative is the individual who can answer questions or provide information about the Guarantor's credit with respect to the requirements for the FP Auction and/or the HP Auction.

**The person designated below is the Guarantor's Credit Representative.**

Last Name <input type="text"/>	Given Name(s) <input type="text"/>	Mr/Mrs/Ms/Dr/(other) <input type="text"/>	
Title <input type="text"/>			
Street Address 1 <input type="text"/>			
Street Address 2 <input type="text"/>			
City <input type="text"/>	State <input type="text"/>	Zip Code <input type="text"/>	
Telephone No. <input type="text"/>	Cell Phone No. <input type="text"/>	Fax No. <input type="text"/>	Email Address <input type="text"/>

\_\_\_\_\_  
Name of Applicant

**Please provide the following information for the Guarantor:**

- (a) If the Guarantor is not an SEC registrant, provide the most recent Annual Report;
- (b) If the Guarantor is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement);
- (c) If the Guarantor is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Guarantor’s Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant’s financial condition;
- (d) The following financial information along with page references to the relevant financial filings submitted:

	Amount (\$)	Financial Document Page Number	Financial Document Source	Date of Financial Document Source
Goodwill				
Shareholders' Equity				
Net Intangible Assets				

- (e) Guarantor’s senior unsecured debt ratings from the following three rating agencies if available, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Guarantor:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

If senior unsecured debt ratings are unavailable, but corporate issuer ratings are available, please provide the corporate issuer ratings, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Guarantor:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

- (f) If the Guarantor has not been incorporated or otherwise formed under the laws of the United States, the Guarantor is asked to provide in addition to a)-f) above:
- i. A legal opinion acceptable to the Companies of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the Guaranty will become the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
  - ii. Any additional information that the Guarantor wishes to include that could provide comparable credit assurances to those that are provided by other Guarantors that have been incorporated or otherwise formed under the laws of the United States.

An Applicant whose Guarantor has not been incorporated or otherwise formed under the laws of the United States and that does not provide this information or any information that could provide comparable assurances of creditworthiness will be required to post the maximum security if they become a winning bidder. .

Further, if an Applicant with such a Guarantor becomes a Default Service Supplier, the Guarantor will be required to submit additional documents as detailed in Article 6 of the SMA, including:

- A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that this Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed;

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Name of Applicant

- The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as the Guaranty.

**Is the Guarantor and/or its parent (if applicable):**

	Guarantor		Parent	
	Yes	No	Yes	No
Operating under federal bankruptcy laws or bankruptcy laws in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact the Guarantor's and/or parent's financial condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to collection lawsuits or outstanding judgments that could impact solvency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

Please provide a statement disclosing any existing, pending or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC or DOJ) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or that materially affect current financial or operational status of the Guarantor.

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Name of Applicant

### 1.9. Additional Certifications

The Bidding Rules, the SMA, and the Information Website include important information that an Applicant should understand prior to participating in the FP Auction and/or the HP Auction.

- (a) Please certify that you have read the Bidding Rules for the Auction(s) in which you intend to participate (the FP Auction and/or the HP Auction) and that you will comply with these rules.

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Signature of Authorized Representative

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Date

- (b) Please certify that you have read the SMA and that you accept its terms. Please also certify that if you become a winning bidder, you will execute the SMA within three (3) Business Days following the date of the Commission's approval of the auction results:

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Signature of Authorized Representative

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Date

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

- (c) Please certify that if you qualify to participate in the FP Auction and/or the HP Auction, you will not disclose at any time information regarding the list of Qualified Bidders in the FP Auction and/or the HP Auction, including but not limited to the number of Qualified Bidders, the identity of any one of the Qualified Bidders (including yourself), or the fact that an entity has not qualified for participation in the FP Auction and/or the HP Auction. Further, please certify that you will destroy any document distributed by the Independent Evaluator that lists the Qualified Bidders within five (5) days of the close of the bidding, or earlier if so instructed by the Independent Evaluator.

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Signature of Authorized Representative

---

Date

- (d) No Qualified Bidder in the FP Auction and/or the HP Auction shall substitute another party, transfer its rights to another party, or otherwise assign its status as a Qualified Bidder to another party. Any such substitutions, transfers, or assignments shall be null and void and will result in the exclusion of the Qualified Bidder from the FP Auction and/or the HP Auction. Please certify that you agree to the limitation set forth in this paragraph.

---

Signature of Authorized Representative

---

Date

The Bidding Rules and Communications Protocols include restrictions on the disclosure of Confidential Information. For purposes of the following certifications, the definition of Confidential Information relative to bidding strategy is defined according to Section 12.2 of the Bidding Rules.

- (e) Please certify that you agree not to disclose any Confidential Information relative to bidding strategy to any party that may have an effect on the participation of another bidder, prospective bidder, or on any of the bids that another bidder would be willing to submit.

---

Signature of Authorized Representative

---

Date

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

\_\_\_\_\_  
Name of Applicant

- (f) Please certify that, to the extent Confidential Information relative to bidding strategy is disclosed within your organization or to a third party, you will ensure that sufficient precautions are taken to ensure that such Confidential Information is not made public or made available to another bidder. Such precautions include, but are not limited to confidentiality agreements, non-disclosure agreements, firewalls, and other contractual or structural protections that would maintain the confidential nature of a bidder's bidding strategy.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

If unable to make the certifications requested above please identify the nature of your need to disclose Confidential Information without sufficient precautions to ensure that such Confidential Information is not made public or made available to another bidder.

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Name of Applicant

### 1.10. Alternate Guaranty Form

A prospective Default Service Supplier that wishes to rely on a Guarantor upon becoming a Default Service Supplier can use the standard form of guaranty (Appendix G to the SMA) and be assured that the standard form of guaranty is acceptable to the Companies. Alternatively, the Companies will consider alternate forms of guaranty if they are submitted with this Part 1 Application. Also, you may submit an alternate form of guaranty that was previously approved by the Companies in a prior solicitation.

The Alternate Guaranty Form must be a financial guaranty for unlimited liability. Additional requirements are specified in Appendix B of this Part 1 Application.

**Please check here  and proceed to the next section if this section does not apply to you because you are not submitting an alternate form of guaranty. Otherwise please read Appendix B and complete this section.**

The Authorized Representative acknowledges by signing below that he/she has read the requirements of Appendix B and that he/she believes that the proposed Alternate Guaranty Form complies with these requirements:

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Signature of Authorized Representative

---

Date

Please check below to show that you are including all required documents.

- The proposed form of alternate guaranty;
- Certification that the alternate guaranty has been in general use by the Applicant in its ordinary course of business over the past twelve months;
- An enforceability opinion with respect to the alternate form of guaranty from counsel; and
- Previously approved alternate form of guaranty.

\_\_\_\_\_  
Name of Applicant

### 1.11. Bidding Agreements

**Please note that the Companies will not review information provided in this section.**

**Please check here  and proceed to the next section if you will be bidding independently and not as a party to any bidding agreement with another party or through any other arrangement involving joint or coordinated bidding with any other party.**

Otherwise, please indicate below whether you are a party to or a part of a bidding agreement, a joint venture, a bidding consortium, or other arrangements for purposes of participating in the FP Auction and/or the HP Auction or pertaining to bidding in the FP Auction and/or the HP Auction. On the next page, please also provide the names of the other parties to the bidding agreement or other arrangement.

Other parties to the arrangement:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- |  |   |
|--|---|
| <input type="checkbox"/> Bidding Agreement | <input type="checkbox"/> Bidding Consortium |
| <input type="checkbox"/> Joint Venture     | <input type="checkbox"/> Other (define)     |

If you are part of a bidding agreement, bidding consortium or joint venture, you must nominate a single party to the bidding agreement, bidding consortium or joint venture to fulfill the creditworthiness requirements. This party may have a Guarantor. Please indicate below which party from the bidding agreement, bidding consortium, or joint venture will be fulfilling the creditworthiness requirements:

Name of the single party fulfilling the creditworthiness requirements:

\_\_\_\_\_

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

\_\_\_\_\_  
Name of Applicant

The Authorized Representative of the party named above must sign here to acknowledge the fact that this party has agreed to fulfill the creditworthiness requirements:

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

**1.12. Justification of Omissions**

If you are unable to provide all documents or all information requested in this Part 1 Application, please justify fully any omissions in the space provided below.

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Name of Applicant

## Appendix A – Enclosures to the Part 1 Application

This is a checklist of documents to be enclosed with this Part 1 Application. Please submit only one copy of required supporting documents to the application unless noted otherwise.

A copy of the completed Part 1 Application with original signatures and original notarized signatures of Sections 1.2, 1.3 and 1.4 [Instructions Part 1]

For the Applicant:

- A copy of the signature page of the applicable PJM Agreements as that term is defined in the SMA [Section 1.6]
- If the Applicant is not an SEC registrant, provide the most recent Annual Report [Section 1.7]
- If the Applicant is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement) [Section 1.7]
- If the Applicant is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Applicant's Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant's financial condition [Section 1.7]
- Senior unsecured debt ratings or, if unavailable, corporate issuer ratings [Section 1.7]
- If the Applicant has not been incorporated or otherwise formed under the laws of the United States, (i) a legal opinion acceptable to Companies of counsel qualified to practice in the foreign jurisdiction in which the Applicant is incorporated or otherwise formed that the SMA will become the binding obligation of the Applicant in the jurisdiction in which it has been incorporated or otherwise formed, and (ii) any additional information that the Applicant wishes to give that could provide comparable credit assurances to those that are provided by other Applicants that have at least two credit ratings from accepted credit ratings agencies. [Section 1.7]



Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

For the Guarantor:

- If the Guarantor is not an SEC registrant, provide the most recent Annual Report [Section 1.8]
- If the Guarantor is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement) [Section 1.8]
- If the Guarantor is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide most recent annual or quarterly financial data accompanied by an attestation by the Guarantor's Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant's financial condition [Section 1.8]
- Senior unsecured debt ratings or, if unavailable, corporate issuer ratings [Section 1.8]
- If the Guarantor has not been incorporated or otherwise formed under the laws of the United States, (i) a legal opinion acceptable to the Companies of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the Guaranty will become the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed, and (ii) any additional information that the Guarantor wishes to give about the Guarantor's financial standing that could provide comparable credit assurances to those that are provided by other Guarantors that have at least two credit ratings from accepted credit rating agencies. [Section 1.8]

If the Applicant is proposing an Alternate Guaranty Form:

- Proposed form of alternate guaranty [Section 1.10]
- Certification that the alternate guaranty has been in general use by the Applicant in its ordinary course of business over the past twelve months [Section 1.10]
- An enforceability opinion with respect to the alternate form of guaranty from counsel [Section 1.10]
- Proposed form of alternate guaranty [Section 1.10]

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Name of Applicant

## **Appendix B – Alternate Guaranty Form (Optional)**

The criteria used to review the alternate form of guaranty are as follows:

1. The alternate guaranty must be a financial guaranty; performance guarantees are not acceptable.
2. The Companies will consider alternate forms of guaranty only if the guaranty is for unlimited liability.
3. The alternate guaranty must be an unconditional guaranty of payment of all amounts due by the Default Service Supplier to the Companies under the SMA. The SMA must be expressly identified and the satisfaction of obligations through performance may not be authorized.
4. The alternate guaranty may be terminated upon not less than thirty (30) days advance written notice to the Companies and termination shall not discharge liabilities and obligations of the Guarantor that have been incurred before the effective date of the termination.
5. The alternate guaranty must not be subject to any monetary limit.
6. The alternate guaranty must be accompanied by a certification that this form of guaranty, subject to changes needed to conform to the specific requirements of the Companies, has been in general use by the submitting party in its ordinary course of business over the past twelve months.
7. The alternate guaranty must be a guaranty of payment and not of collection.
8. Assignment of the alternate guaranty shall not be permitted except with the prior written consent of the Companies.
9. The Applicant must provide an enforceability opinion with respect to the alternate form of guaranty from its counsel. The accompanying enforceability opinion must be from a law firm of national (i.e., United States) standing, must not be weaker than would be industry norm and must contain only those qualifications that would be typical. The opinion shall name the Companies and explicitly state that the Companies are entitled to rely on the opinion.

The alternate forms of guaranty will be reviewed in accordance with the following process:

- Upon receipt of the Part 1 Application, the Independent Evaluator will redact the proposed alternate form of guaranty to remove any information identifying the Applicant. The Independent Evaluator will then forward the redacted version to a credit and legal representative of the Companies.

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Name of Applicant

- The credit and legal representative will determine whether the alternate form of guaranty provides sufficient assurances of payment, taking into account the following considerations:
  - (i) whether the alternate form of guaranty conforms with the specific requirements identified by the Companies (listed above);
  - (ii) whether the alternate form of guaranty provides substantially similar credit protections to the credit protections provided to Companies by the standard form of guaranty; and
  - (iii) whether the alternate form of guaranty includes defenses in favor of the Guarantor not found in the standard form of guaranty. The Companies representative may also identify specific changes that would permit the alternate form of guaranty to be acceptable, if such changes are of a limited nature.
- The credit and legal representative shall inform the Independent Evaluator of its decision no later than seven (7) Business Days following the Part 1 Application Due Date.
- Upon receipt of the Companies' decision, the Independent Evaluator will notify the Applicant of the Companies' decision. The Companies' decision will state one of the following:
  - (i) The proposed alternate guaranty is acceptable to the Companies in the form in which it was submitted.
  - (ii) The proposed alternate guaranty is not acceptable to the Companies in the form in which it was submitted, but would be acceptable subject to specific changes of a minor nature. The correspondence from the Independent Evaluator will set forth the required changes.
  - (iii) The proposed alternate guaranty is not acceptable to the Companies.
- If specific changes are required to the proposed alternate guaranty, the Applicant will be required to resubmit the alternate guaranty form with changes identified by the Companies on the Business Day following the Business Day during which the Independent Evaluator notified the Applicant of the Companies' decision. No later than three (3) Business Days after the Applicant's resubmission, the Independent Evaluator will notify the Applicant of the Companies' final decision.

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Name of Applicant

A potential bidder that had secured approval for an alternate form of guaranty from any previous Default Service procurement auction held by one or more of the Companies and wishes to use the same alternate form of guaranty can renew this by submitting the following:

1. The alternate form of guaranty from any previous Default Service procurement auction by the Companies;
2. The enforceability opinion from any previous Default Service procurement auction by the Companies;
3. A certification that the text of the alternate form of guaranty is exactly the same as the alternate form of guaranty that had been previously approved from any previous Default Service procurement auction by the Companies;
4. A certification that the text of the enforceability opinion is exactly the same as the enforceability opinion that had been previously approved from any previous Default Service procurement auction by the Companies.

If a potential bidder submits the materials as specified above, the alternate form of guaranty will be approved for the FP Auction and/or the HP Auction without further re-evaluation. If a potential bidder had secured approval for an alternate form of guaranty from any previous Default Service procurement auction by the Companies but is unable to provide the materials as specified above, the potential bidder must resubmit the alternate form of guaranty and all supporting documentation as specified in the Alternate Form of Guaranty section above and these materials will be re-evaluated according to the criteria set forth in this document.

All proposing parties that become Qualified Bidders under the Part 1 Application process, but whose alternate guaranty is rejected by the Companies, are required to submit with their Part 2 Application a supplemental certification that the Applicant unconditionally accepts all terms and conditions of the SMA.

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Name of Applicant

### **Appendix C – Proposing Changes to the Pre-Bid Security Letter of Credit (Optional)**

The standard form of the Pre-Bid Security Letter of Credit that is acceptable to the Companies will be posted to the Information Website. However, an Applicant has the option to propose changes to the Pre-Bid Security Letter of Credit during the Part 1 Application process by clearly identifying the proposed changes in an electronic, redlined version. This version may be submitted by email to [fepaauction@crai.com](mailto:fepaauction@crai.com) or as an attachment through the Secure Online Application.

The Companies will assess, in their sole and exclusive discretion, whether such modifications are acceptable. The Qualified Bidder, in its Part 2 Application, must provide the required executed Pre-Bid Security Letter of Credit that either uses the standard form or incorporates only those modifications to the standard form accepted by the Companies upon review of the Part 1 Application. The draft Pre-Bid Security Letter of Credit will be reviewed in accordance with the following process:

- Upon receipt of the Part 1 Application, the Independent Evaluator will redact the draft Pre-Bid Security Letter of Credit to remove any information identifying the Applicant. The Independent Evaluator will then forward the redacted version to a credit and legal representative of the Companies.
- The credit and legal representative will determine whether such modifications are acceptable. The credit and legal representative shall inform the Independent Evaluator of its decision no later than seven (7) Business Days following the Part 1 Application Due Date.
- Upon receipt of the Companies' decision, the Independent Evaluator will notify the Applicant of the Companies' decision. The Companies' decision will either state:
  - (i) The proposed changes to the Pre-Bid Security Letter of Credit are acceptable to the Companies in the form in which they were submitted.
  - (ii) The proposed changes to the Pre-Bid Security Letter of Credit are not acceptable to the Companies in the form in which they were submitted, but would be acceptable subject to specific changes of a minor nature. The correspondence from the Independent Evaluator will set forth the required changes.
  - (iii) The proposed changes to the Pre-Bid Security Letter of Credit are not acceptable to the Companies.
- If specific changes are required pursuant to (ii) above, the Applicant will be required to resubmit the draft Pre-Bid Security Letter of Credit with changes identified by the Companies on the Business Day following the Business Day during which the

Part 1 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

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Name of Applicant

Independent Evaluator notified the Applicant of the Companies' decision. No later than three (3) Business Days after the Applicant's resubmission, the Independent Evaluator will notify the Applicant of the final decision.

**End of Part 1 Application**

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**EXHIBIT B**

**PROCUREMENT SCHEDULE**

Met-Ed/Penelec/Penn Power/West Penn DSP VI Auction Schedule

Hourly Price Service Tranche Procurement Schedule								
Auction Date	Percent Load	# Tranches	# Mos to Delivery	6/1/23 to 5/31/24	6/1/24 to 5/31/25	6/1/25 to 5/31/26	6/1/26 to 5/31/27	6/1/27 to 5/31/28
April 2023	100.00%	32	1	12-Months				
April 2024	100.00%	32	1		12-Months			
April 2025	100.00%	32	1			12-Months		
April 2026	100.00%	32	1				12-Months	
Commercial Full Requirements Tranche Procurement Schedule								
November 2022	8.57%	3	6	24-Months				
November 2022	34.29%	12	6	12-Months				
April 2023	17.14%	6	1	24-Months				
April 2023	40.00%	14	1	12-Months				
November 2023	11.43%	4	6		24-Months			
November 2023	22.86%	8	6		12-Months			
April 2024	14.29%	5	1		24-Months			
April 2024	25.71%	9	1		12-Months			
November 2024	8.57%	3	6			24-Months		
November 2024	22.86%	8	6			12-Months		
April 2025	14.29%	5	1			24-Months		
April 2025	28.57%	10	1			12-Months		
November 2025	11.43%	4	6				24-Months	
November 2025	22.86%	8	6				12-Months	
April 2026	14.29%	5	1				24-Months	
April 2026	28.57%	10	1				12-Months	
Residential Full Requirements Tranche Procurement Schedule								
November 2022	10.53%	10	6	24-Months				
November 2022	34.74%	33	6	12-Months				
April 2023	13.68%	13	1	24-Months				
April 2023	41.05%	39	1	12-Months				
November 2023	11.58%	11	6		24-Months			
November 2023	23.16%	22	6		12-Months			
April 2024	13.68%	13	1		24-Months			
April 2024	27.37%	26	1		12-Months			
November 2024	10.53%	10	6			24-Months		
November 2024	23.16%	22	6			12-Months		
April 2025	13.68%	13	1			24-Months		
April 2025	27.37%	26	1			12-Months		
November 2025	11.58%	11	6				24-Months	
November 2025	23.16%	22	6				12-Months	
April 2026	13.68%	13	1				24-Months	
April 2026	27.37%	26	1				12-Months	

Residential - 24	24%	49%	49%	49%
Residential - 12	76%	51%	51%	51%
Commercial - 24	26%	51%	49%	49%
Commercial - 12	74%	49%	51%	51%



**EXHIBIT C**

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA  
ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY  
AND WEST PENN POWER COMPANY DEFAULT SERVICE SUPPLIER  
MASTER AGREEMENT**

**METROPOLITAN EDISON COMPANY**  
**PENNSYLVANIA ELECTRIC COMPANY,**  
**PENNSYLVANIA POWER COMPANY,**  
**AND**  
**WEST PENN POWER COMPANY**

**DEFAULT SERVICE**  
**SUPPLIER MASTER AGREEMENT**

**TABLE OF CONTENTS**

<b>ARTICLE 1:</b>	<b>DEFINITIONS .....</b>	<b>2</b>
<b>ARTICLE 2:</b>	<b>GENERAL TERMS AND CONDITIONS.....</b>	<b>12</b>
2.1	Capacity In Which Company Is Entering Into This Agreement.....	12
2.2	Parties' Obligations.....	12
2.3	Congestion and Congestion Management .....	15
2.4	PJM Services.....	15
2.5	PJM Agreement Modifications .....	16
2.6	PJM Member Default Cost Allocation .....	17
2.7	Other Fines and Penalties.....	17
2.8	Communications and Data Exchange .....	17
2.9	Record Retention .....	18
2.10	Verification .....	18
2.11	Forward Contract Merchant.....	18
<b>ARTICLE 3:</b>	<b>REPRESENTATIONS AND WARRANTIES .....</b>	<b>19</b>
3.1	DS Supplier's Representations and Warranties .....	19
3.2	Company's Representations and Warranties .....	22
3.3	Survival of Obligations .....	23
<b>ARTICLE 4:</b>	<b>COMMENCEMENT AND TERMINATION OF AGREEMENT .....</b>	<b>24</b>
4.1	Commencement and Termination.....	24
4.2	Termination of Right to Supply .....	24
4.3	Survival of Obligations .....	24
4.4	Mutual Termination .....	24
<b>ARTICLE 5:</b>	<b>BREACH AND DEFAULT.....</b>	<b>26</b>
5.1	Events of Default .....	26
5.2	Rights upon Default .....	29
5.3	Damages Resulting From an Event of Default .....	30
5.4	Declaration of an Early Termination Date and Calculation of Settlement Amount and Termination Payment.....	33
5.5	Step-up Provision.....	36
5.6	Setoff of Payment Obligations of the Non-Defaulting Party .....	37
5.7	Preservation of Rights of Non-Defaulting Party.....	37
<b>ARTICLE 6:</b>	<b>CREDITWORTHINESS.....</b>	<b>38</b>
6.1	Applicability .....	38
6.2	Creditworthiness Determination .....	38
6.3	Independent Credit Requirement per Tranche .....	39
6.4	Independent Credit Threshold.....	39
6.5	Credit Exposure Methodology .....	42
6.6	Credit Limit.....	43
6.7	Posting Margin and Return of Surplus Margin.....	46
6.8	Grant of Security Interest/Remedies .....	47
6.9	Security Instruments .....	49
6.10	Maintenance of Creditworthiness .....	51

6.11	Calling on Security .....	51
6.12	Interest on Cash Held by Company .....	52
6.13	No Endorsement of DS Supplier.....	52
6.14	Multiple DS Supply Agreements .....	52
<b>ARTICLE 7: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT.....</b>		<b>53</b>
7.1	Load Obligations.....	53
7.2	Data Transmission .....	53
7.3	Energy Scheduling.....	53
<b>ARTICLE 8: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS .....</b>		<b>54</b>
8.1	Energy Settlement By PJM.....	54
8.2	Energy Settlement by the Company .....	54
<b>ARTICLE 9: BILLING AND PAYMENT .....</b>		<b>54</b>
9.1	The Company Payment of Obligations to the DS Supplier .....	54
9.2	Billing for DS Supplier’s Obligations to Other Parties .....	57
9.3	The DS Supplier Payment of Obligations to the Company .....	57
<b>ARTICLE 10: SYSTEM OPERATION.....</b>		<b>58</b>
10.1	Disconnection and Curtailment By the Company .....	58
10.2	Inadvertent Loss of Service to DS Customers .....	59
10.3	Good Faith Efforts .....	59
10.4	PJM Requirements.....	60
10.5	Compliance with Governmental Directives.....	60
<b>ARTICLE 11: DISPUTE RESOLUTION.....</b>		<b>60</b>
11.1	Informal Resolution of Disputes.....	60
11.2	Recourse to Agencies or Courts of Competent Jurisdiction .....	61
<b>ARTICLE 12: REGULATORY AUTHORIZATIONS AND JURISDICTION..</b>		<b>62</b>
12.1	Compliance with Applicable Legal Authorities .....	62
12.2	FERC Jurisdictional Matters.....	62
12.3	Energy Efficiency, Conservation, and Retail Market Programs.....	63
<b>ARTICLE 13: LIMITATION OF REMEDIES, LIABILITY AND DAMAGES</b>		<b>64</b>
13.1	Limitations on Liability .....	64
13.2	Risk of Loss .....	65
<b>ARTICLE 14: INDEMNIFICATION .....</b>		<b>65</b>
14.1	Indemnification.....	65
14.2	Survives Agreement.....	67
<b>ARTICLE 15: FORCE MAJEURE.....</b>		<b>67</b>
15.1	Force Majeure .....	67
15.2	Notification .....	68
<b>ARTICLE 16: MISCELLANEOUS PROVISIONS.....</b>		<b>68</b>
16.1	Notices .....	68
16.2	No Prejudice of Rights.....	68
16.3	Assignment .....	69
16.4	Governing Law and Venue .....	70
16.5	Regulatory Approvals .....	70

16.6	Headings .....	70
16.7	Third Party Beneficiaries .....	71
16.8	General Miscellaneous Provisions .....	71
16.9	Taxes .....	72
16.10	Audit .....	73
16.11	Rules of Interpretation .....	73
16.12	Confidentiality .....	74
16.13	Federal Acquisition Regulation .....	75
16.14	Binding Terms .....	76
16.15	Amendment .....	76
16.16	Counterparts .....	77
16.17	Successors .....	77
<b>APPENDIX A- MAXIMUM UNSECURED CREDIT .....</b>		<b>80</b>
<b>APPENDIX B – MTM EXPOSURE AMOUNT CALCULATION INFORMATION</b> .....		<b>82</b>
<b>APPENDIX C - DS SUPPLY SPECIFICATIONS .....</b>		<b>85</b>
<b>APPENDIX D – RESPONSIBILITIES FOR PJM BILLING LINE ITEMS AS</b> <b>DEFINED IN APPLICABLE PJM AGREEMENT OR MANUAL</b> .....		<b>90</b>
<b>APPENDIX E – DS SUPPLIER’S OBLIGATIONS FOR AEPS COMPLIANCE..</b>		<b>98</b>
<b>APPENDIX F - LETTER OF CREDIT DOCUMENTATION.....</b>		<b>105</b>
<b>APPENDIX G - GUARANTY .....</b>		<b>115</b>
<b>APPENDIX H– CAPACITY PROXY PRICE .....</b>		<b>121</b>
<b>APPENDIX I – ASSIGNMENT AGREEMENT .....</b>		<b>122</b>

## **PENNSYLVANIA DEFAULT SERVICE SUPPLIER MASTER AGREEMENT**

**THIS DEFAULT SERVICE SUPPLIER MASTER AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_ (“Effective Date”), by and between [**Applicable EDC listed here - Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company or West Penn Power Company**] (the “Company” and “Buyer”), a corporation and a public utility organized and existing under the laws of the Commonwealth of Pennsylvania [**INSERT NAME OF SUPPLIER**] (“DS Supplier”), the Company and the DS Supplier hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”,

### **WITNESSETH:**

**WHEREAS**, the Company is an electric public utility engaged, *inter alia*, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

**WHEREAS**, the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) Orders issued pursuant to the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, direct Buyer to supply electric service to Default Service Load within Buyer’s Pennsylvania franchise service territory; and

**WHEREAS**, the PaPUC has found that, for periods further identified in Appendix C it would serve the public interest for the Company to secure Default Service Supply (“DS Supply”) through a competitive procurement process (“DS Solicitation”) and the PaPUC has approved such a process; and

**WHEREAS**, the Company has conducted and completed a successful DS

Solicitation for the provision of DS Supply, and the DS Supplier was one of the winning bidders in the DS Solicitation; and

**WHEREAS**, pursuant to the competitive bidding procedures of the DS Solicitation, the Company and the DS Supplier desire to enter into this Agreement setting forth their respective rights and obligations concerning the provision of DS Supply.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

## **ARTICLE 1: DEFINITIONS**

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

**AEPS Act** – The Pennsylvania Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8.

**Affiliate** - means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

**Allocated AECs** – Shall mean the types and amounts of AECs specified on Appendix E, if any.

**Alternative Energy Credit or “AEC”** – Shall have the meaning ascribed thereto in the AEPS Act.

**Alternative Energy Portfolio Standards or “AEPS”** – Standards requiring that a certain amount of electric energy sold to retail electric customers in the Commonwealth of Pennsylvania be comprised of electricity generated from alternative energy sources, as measured by AECs, in accordance with the requirements of the AEPS Act and provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2812-

14, in effect on the Effective Date including, without limitation, any subsequent increases in Tier I requirements under 66 Pa.C.S. § 2814.

**Ancillary Services** – Shall have the meaning ascribed thereto in the PJM Agreements.

**Applicable Legal Authorities** – Those Federal and Pennsylvania statutes and administrative rules and regulations that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.

**Auction Revenue Rights or “ARR”** – The current or any successor congestion management mechanisms as may be employed by PJM (whether set forth in the PJM Agreements or elsewhere) for the purpose of allocating financial congestion hedges or financial transmission auction revenue rights. As currently defined by PJM, ARRs are entitlements allocated annually by PJM which entitle the holder to receive an allocation of the revenues from the annual auction of financial transmission rights conducted by PJM pursuant to the PJM Agreements.

**Bankruptcy Code** – Those laws of the United States of America related to bankruptcy, codified and enacted as Title 11 of the United States Code, entitled “Bankruptcy” and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

**Billing Line Item Transfers** - “Billing Line Item Transfers” shall have the meaning ascribed to it in Section 2.4 (PJM Services).

**Billing Month** – Each calendar month during the term of this Agreement.

**Business Day** – Any day on which the Company’s and PJM’s corporate offices are open for business and commercial banks are not authorized or required to close in New York, New York.

**Capacity** – “Unforced Capacity” as set forth in the PJM Agreements, or any successor, measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

**Capacity Market Auction** – The auctions conducted by PJM in the accordance with PJM’s Reliability Pricing Model (“RPM”).

**Capacity Proxy Price or “CPP”** - The capacity price DS Suppliers account for in their bid if the PJM capacity price is not known for a given year.

**Charge** – Any fee, charge or other amount that is billable by the Company to the DS Supplier under this Agreement.

**Commercial Class** – Group of Rate Schedules that comprise the Commercial Class for DS Supply and itemized in Appendix C.



**Costs** – With respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

**Customer** – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff, eligible to receive competitive electricity supply from an EGS or DS, respectively, in accordance with the Applicable Legal Authorities.

**Damages** – Financial compensation from the Defaulting Party to the Non-Defaulting Party associated with the occurrence of an Event of Default or an Early Termination of this Agreement. This compensation shall be assessed pursuant to Article 5 of this Agreement.

**Default Allocation Assessment** – shall have the meaning ascribed to it under the PJM Agreements.

**Defaulting Party** – A Party to this Agreement that has caused or precipitated an Event of Default or an Early Termination of this Agreement.

**Default Service or “DS”** – Electric generation service that is provided at retail pursuant to the Applicable Legal Authorities under the Company’s retail electric tariffs and under any other agreements or arrangements between the Company and Customers, to any Customer that is not being served by an EGS.

**Default Service Supply or “DS Supply”** – All necessary Energy, Capacity, AECs for AEPS Act compliance, Ancillary Services, and transmission services, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, and such other services or products that the DS Supplier may be required, by PJM or any governmental body having jurisdiction, to provide in order to meet the DS Supplier Responsibility Share for serving DS Load under this Agreement and as detailed in Appendix C. For the avoidance of doubt, any reference in this Agreement to any other agreement for DS Supply shall include any agreement between the Parties for the provision of Energy to serve DS Load, even if such other agreement does not require delivery of additional products (e.g., Capacity).

**Delivery Period** – The delivery period specified in Appendix C.

**Delivery Point** – Means the applicable zone of the Company as designated by PJM.

**DS Customer(s)** – Retail customers who are provided Default Service pursuant to the terms of this Agreement, the Applicable Legal Authorities and the Company’s retail tariffs.

**DS Fixed Percentage** – The percentage of DS Supply provided at a fixed price, as set forth in Exhibit 1.

**DS Fixed Price** – The price in dollars per MWh, as set forth in Exhibit 1 hereto, as determined pursuant to the DS Solicitation.

**DS Load** – The aggregate load of DS Customers being provided DS Supply.

**DS Solicitation** – The competitive bidding processes, procedures and rules employed by the Company to competitively procure DS Supply for purposes of this Agreement.

**DS Supplier** – An entity that (i) has been selected through the DS Solicitation and has accepted the obligations and associated rights to provide DS Supply to the Company for retail customers in accordance with the Applicable Legal Authorities, (ii) has entered into this Agreement with the Company as a Party, and (iii) is a PJM Member and registered with PJM as a LSE.

**DS Supplier Representative** – Any officer, director, employee, consultant, contractor, or other agent or representative of the DS Supplier in connection with the DS Supplier's activity under this Agreement. To the extent the DS Supplier is a division or group of a company, the term DS Supplier Representative does not include any person in that company who is not part of the DS Supplier division or group.

**DS Supplier Responsibility Share** – The fixed percentage share of the Company's DS Load for which the DS Supplier is responsible as set forth in Appendix C.

**DS Tariff** – The Company's existing schedules of rates and services provided to retail customers as currently on file with the Commission and on the Company's website at [https://www.firstenergycorp.com/content/customer/customer\\_choice/pennsylvania/pennsylvania\\_tariffs.html](https://www.firstenergycorp.com/content/customer/customer_choice/pennsylvania/pennsylvania_tariffs.html), as they may be amended from time to time.

**DS Variable Percentage** – The percentage of DS Supply provided at a variable price, as set forth in Exhibit 1 hereto.

**DS Variable Price** – The price in dollars per MWh, as set forth in Exhibit 1 hereto.

**Early Termination** – Termination of this Agreement prior to the end of the term due to the occurrence of an Event of Default as specified in Article 5.2 of this Agreement and the declaration of Early Termination.

**Early Termination Date** – The date upon which an Early Termination becomes effective as specified in Article 5.2 of this Agreement.

**Electric Distribution Company or "EDC"** – A public utility providing facilities for the transmission and distribution of electricity to retail customers in Pennsylvania.

**Electric Generation Supplier or “EGS”** – A person or entity that is duly certified by the Commission to offer and provide competitive electric supply to retail customers located in the Commonwealth of Pennsylvania.

**Emergency** – (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a condition that requires implementation of Emergency Operations Procedures as defined in the PJM Agreements or PJM manuals; or (iv) any other condition or situation that the Company or PJM deems imminently likely to endanger life or property or to affect or impair the Company’s electrical system or the electrical system(s) of other(s) to which the Company’s electrical system is directly or indirectly connected (a “Connected Entity”). Such a condition or situation may include, but shall not be limited to, potential overloading of the Company’s transmission and/or distribution circuits, PJM minimum generation (“light load”) conditions, or unusual operating conditions on either the Company’s or a Connected Entity’s electrical system, or conditions such that the Company is unable to accept Energy from the DS Supplier without jeopardizing the Company’s electrical system or a Connected Entity’s electrical system. Other additional emergencies can only be declared by PJM, FERC, or the PaPUC.

**Energy** – Three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

**Event of Default** – A Party’s breach of obligations under this Agreement as set forth in Article 5 of this Agreement.

**FERC** – The Federal Energy Regulatory Commission.

**Final Monthly Energy Allocation or “FMEA”** – A quantity of Energy which, for any Billing Month, is the PMEA adjusted for any billing or metering data received subsequent to the calculation of PMEA of which PJM is notified within 60 days.

**Force Majeure** - Means an event or circumstance which prevents one Party from performing its obligations under one or more transactions, such as riots or revolutions, demands or embargoes of the United States Government, fire, flood, drought, insurrection, acts of God which are not within the reasonable control of, or the results of the negligence of the affected Party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of DS Supplier’s supply; (ii) DS Supplier’s ability to sell the DS Supply at a price greater than that received under any Transaction; (iii) curtailment by a utility transmitting DS Supply; (iv) the Company’s ability to purchase the DS Supply at a price lower than paid under any Transaction; (v) any change in requirements of any governmental authority; or (vi) labor stoppage or lockout.

**Forward Market Price** – The price for On-peak Energy Forward Price and Off-peak Energy Forward Price as determined by averaging concurrent broker quotes obtained by the Company for the Market Price Hub as available.

**Gains** – With respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

**Generator Attribute Tracking System or “GATS”** - the system owned and operated by PJM Environmental Services, Inc. to provide reporting and tracking services to its subscribers in support of the AEPS Act, or any successor credit registry selected by the PaPUC. (As specified in Appendix E)

**Guarantor** – Any party having the authority and agreeing to guarantee the DS Supplier’s financial obligations under this Agreement, recognizing that such party shall be obligated to meet the Company’s creditworthiness requirements specified in this Agreement for such DS Supplier.

**Guaranty** – A guaranty, suretyship, hypothecation agreement, margins or security agreement or any other document in the form attached to this DS Supplier Master Agreement or other form approved by the Company.

**Independent Credit Requirement per Tranche or ICRT** - Amount per Tranche required as security under Section 6.3, to mitigate the risk to the Company of Energy price movements between the date of an Early Termination caused by an Event of Default by a DS Supplier and the date the final calculation of Default Damages owing to the Company under Section 5.3 is made.

**Independent Credit Threshold or ICT**- Amount of credit, based on the creditworthiness of a DS Supplier or its Guarantor, if applicable, determined pursuant to Section 6.4, granted by the Company to such DS Supplier to be applied towards the satisfaction of such DS Supplier’s Independent Credit Requirement.

**Industrial Class** - Group of Rate Schedules that comprise the Industrial Class for the DS Supply and itemized in Appendix C.

**Interest Index** – The average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (<http://www.federalreserve.gov/releases/h15/update/>).

**Kilowatt or “kW”** – Unit of measurement of useful power equivalent to 1000 watts.

**Kilowatt-hour or “kWh”** – One kilowatt of electric power used over a period of one hour.

**Load Serving Entity or “LSE”** – An entity that has been granted the authority or has an obligation pursuant to state or local law, regulation or franchise to sell electricity to retail

customers located within the PJM Control Area as that term is defined in the PJM Agreements or in successor, superseding or amended versions of the PJM Agreements that may take effect from time to time over the term of this Agreement.

**Losses** – With respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from an Early Termination of this Agreement, determined in a commercially reasonable manner.

**Margin** – The amount by which the Total Exposure Amount exceeds the DS Supplier’s, or Guarantor’s, credit limit as defined in Section 6.6.

**Mark-to-Market (“MtM”) Exposure Amount** – An amount calculated daily for each DS Supplier reflecting the total MtM credit exposure to the Company due to fluctuations in market prices for Energy minus amounts due pursuant to this Agreement to such DS Supplier for the delivery of DS Supply. The methodology for calculation of the MtM credit exposure is illustrated in Appendix B.

**Market Price Hub** - A liquid pricing point located within PJM’s geographic footprint, as specified in Appendix B.

**Maximum Credit Limit** – The lesser of the applicable percentage of TNW or the applicable credit limit cap as specified in Section 6.6 of this Agreement.

**Megawatt or MW** – One thousand kilowatts.

**Megawatt-hour or MWh** – One megawatt of electric power used over a period of one hour.

**Merger Event** – When a DS Supplier consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity and either (i) the resulting entity fails to assume all of the obligations of such DS Supplier hereunder in the sole discretion of the Company or (ii) the benefits of any credit support provided pursuant to Article 6 of this Agreement fail to extend to the performance by such resulting, surviving or transferee entity of the DS Supplier’s obligations hereunder, and the resulting entity or its guarantor fails to meet the creditworthiness requirements of this Agreement in the sole discretion of the Company.

**Minimum Rating** – A minimum senior unsecured debt rating as defined in Appendix A of this Agreement.

**Minimum Transfer Amount** - \$100,000.

**NERC** – The North American Electric Reliability Council or its successor.

**Network Integration Transmission Service or “NITS”** – “Network Integration Transmission Service” under the PJM Agreements in effect as of the date of this Agreement, or its successor, superseding or amended versions of the PJM Agreements that

may take effect from time to time over the term of this Agreement. In the event the PJM Agreements are modified such that “Network Integration Transmission Service” is no longer offered, Network Integration Transmission Service shall mean the type of transmission service offered under the PJM Agreements that is accorded the highest level of priority for scheduling and curtailment purposes.

**Non-Defaulting Party** - A Party to this Agreement who, at the time an Event of Default occurs, is not itself in default of this Agreement and has not otherwise caused or precipitated an Event of Default or Early Termination of this Agreement.

**Off-Peak Energy Forward Price** - Means the price for Off-Peak Hours for each billing month of the delivery period stated in terms of \$/MWh as based on the most recent publicly available information and/or quotes from reference market makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer available or no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

**On-Peak Energy Forward Price** – Means the price for On-Peak Hours for each billing month of the delivery period stated in terms of \$/MWh as based on the most recent publicly available information and/or quotes from reference market makers on forward energy transactions occurring at the Market Price Hub. In the event that the Market Price Hub is no longer representative of a transparent trading hub, the Parties will negotiate in good faith to agree upon an alternate liquid price.

**PaPUC or Commission** – The Pennsylvania Public Utility Commission or its successor.

**PJM** – PJM Interconnection L.L.C. or its successor.

**PJM Agreements** – The PJM OATT, PJM RAA, PJM OA and all other PJM agreements, procedures, manuals and documents applicable to the Transactions covered by or relating to this Agreement.

**PJM Control Area** – That certain Control Area encompassing electric systems in parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia, as may be modified from time to time, and which is recognized by the North American Electric Reliability Council as the "PJM Control Area".

**PJM Member** – A member in good standing of PJM that satisfies the requirements to conduct business with PJM.

**PJM OA** – The PJM Operating Agreement or the successor, superseding or amended version of the PJM Operating Agreement that may take effect from time to time.

**PJM OATT** – The PJM Open Access Transmission Tariff or the successor, superseding or amended version of the PJM Open Access Transmission Tariff that may take effect from time to time.

**PJM OI** – The PJM Office of Interconnection, the system operator for the PJM Control Area.

**PJM RAA** – The PJM Reliability Assurance Agreement or the successor, superseding or amended version of the PJM Reliability Assurance Agreement that may take effect from time to time.

**PMEA/FMEA Adjustment Amount** – For any Billing Month, the monetary amount due to the DS Supplier or the Company, as the case may be, in order to reconcile any difference between the PMEA used for the purpose of calculating estimated payments made to DS Supplier for a given month and the FMEA used for calculating the final payments due to the DS Supplier for such month as more fully described in Article 9 hereof.

**Preliminary Monthly Energy Allocation or “PMEA”** – A quantity of Energy which, for any Billing Month, is the preliminary calculation of the DS Supplier’s DS Supplier Responsibility Share.

**Rate Schedule(s)** – Shall mean the specified existing, and modified or successor customer rate schedule(s) in the electric service tariff of the Company filed with the Commission.

**Reliability First Corporation or “RFC”** – The approved regional NERC entity with responsibility for the Commonwealth of Pennsylvania.

**Residential Class** – Group of Rate Schedules that comprise the Residential Class for the DS Supply and itemized in Appendix C

**Rounding Amount** - \$100,000

**Settlement Amount** – With respect to a Non-Defaulting Party, the net amount of the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of Early Termination, as set forth in Section 5.4(a) of this Agreement. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

**Statement** – A monthly report prepared by the Company for the DS Supplier indicating the amount due to the DS Supplier by the Company as compensation for DS Supply supplied to DS Customers by the DS Supplier during the current Billing Month, in accordance with DS Supplier’s obligations under this Agreement.

**Supply Day** – Any calendar day during the term of this Agreement on which the DS Supplier is providing, or is obligated by this Agreement to provide, DS Supply to the Company’s DS Customers.

**Tangible Net Worth or “TNW”** – Total assets less intangible assets and total liabilities. Intangible assets include benefits such as goodwill, patents, copyrights and trademarks.

**Termination Payment** – An amount paid by the Defaulting Party due to Early Termination.

**Tier I AEC** – Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier I requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

**Tier I (Solar) AEC** – Shall mean an AEC generated by a solar photovoltaic energy source that will satisfy the Tier I solar photovoltaic requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

**Tier II AEC** - Shall mean an AEC generated by a non-solar photovoltaic energy source that will satisfy the non-solar Tier II requirements of the AEPS Act applicable to the Company. (As specified in Appendix E)

**Total Exposure Amount** – An amount calculated daily for the DS Supplier reflecting the total credit exposure to the Company and consisting of the sum of (i) the Mark-to-Market Exposure Amount arising under this Agreement; (ii) any amount(s) designated as the “Mark-to-Market Exposure Amount” arising under any other DS Supply agreements providing for “DS Supply” or similar default service; and (iii) the amount designated as the “credit exposure” under any other DS Supply agreements providing for DS Supply or similar default service; provided that in the event the amount calculated for any day is a negative number, it shall be deemed to be zero for such day.

**Tranche** – A fixed percentage share of the Company’s DS Load, as specified in Appendix C.

**Transaction** – Means a particulate agreement by which the Company purchases and the DS Supplier sells DS Supply pursuant to this Agreement, the details of which are more fully set forth in Exhibit 1 – Transaction Confirmation.

**Transaction Confirmation** – Shall have the meaning ascribed to it in Appendix C and Exhibit 1 of this Agreement.



## **ARTICLE 2: GENERAL TERMS AND CONDITIONS**

### **2.1 Capacity In Which Company Is Entering Into This Agreement**

The DS Supplier agrees and acknowledges that the Company is contracting for the provision of DS Supply from such DS Supplier for Customers receiving Default Service on the Company's electric system pursuant to the authorizations provided to the Company. The DS Supplier further agrees and acknowledges that the Company will administer and monitor the DS Supplier's performance in providing DS Supply under this Agreement and that the Company shall be entitled to enforce the DS Supplier's obligations related to the provision of DS Supply. The DS Supplier hereby permanently, expressly and irrevocably waives any claim that Company is not entitled to seek enforcement of this Agreement on behalf of Customers. It is the specific intention of the Parties hereto that Customers and Customer groups are not third party beneficiaries of this Agreement and that no Customer or Customer group shall seek enforcement of this Agreement against the DS Supplier on their own behalf, either independently or by joining in any legal proceeding brought by the Company.

The Parties acknowledge that the Agreement is a forward contract and, accordingly, the Parties hereto are entitled to the protections of Section 556 of the Bankruptcy Code. The Parties therefore agree that the Agreement may be terminated by either Party upon the commencement of a proceeding by the other Party under any chapter of the Bankruptcy Code in accordance with Article 5.2 of this Agreement.

### **2.2 Parties' Obligations**

#### **(a) Obligations of DS Supplier**

The DS Supplier hereby agrees as follows:

- (i) DS Supplier shall provide service on a firm and continuous basis such that the supply delivered for the term of the Agreement meets the terms and conditions set forth in Appendix C;
- (ii) To provide sufficient quantities of DS Supply on an instantaneous basis at all times and supplied to the Delivery Point to meet the DS Supplier Responsibility Share;
- (iii) To procure those services provided by the PJM OI and to perform such functions as may be required by the PJM OI that are necessary for the delivery of DS Supply required hereunder;
- (iv) To cooperate with the Company in any regulatory compliance efforts that may be required to maintain the ongoing legitimacy and enforceability of the terms of this Agreement and to fulfill any regulatory reporting requirement associated with the provision of DS Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;
- (v) To become the Load Serving Entity (“LSE”) with respect to the provision of DS Supply for the DS Supplier Responsibility Share and to comply with all requirements of a LSE with respect to such DS Supplier Responsibility Share;
- (vi) To pay to the Company the PMEA/FMEA Adjustment Amount for any Billing Month in which the PMEA exceeds the FMEA, as more fully described in Article 9 of this Agreement;
- (vii) To accept assignment of and to fulfill all obligations of a LSE that are assigned to it by this Agreement;

- (viii) To comply in a timely manner with all obligations under this Agreement imposed upon the DS Supplier; and
- (ix) To comply with the AEPS requirements of the Company's Default Service Plan, as detailed in Appendix E.

**(b) Obligations of the Company**

The Company hereby agrees as follows:

- (i) To pay to each DS Supplier every month an amount due, resulting from the calculations, as detailed in Article 9 of this Agreement, subject to the adjustments as expressed therein;
- (ii) Pay to the DS Supplier the PMEA/FMEA Adjustment Amount for any Billing Month in which the FMEA exceeds the PMEA, as more fully described in Article 9 of this Agreement;
- (iii) To provide to the DS Supplier its estimated aggregate load obligation (capacity MW value) for each Supply Day no less than five (5) calendar days prior to the day of delivery. Further, this information will be posted in the DS Supplier's specific PJM eMTR account, or successor system or process;
- (iv) To comply in a timely manner with all obligations under this Agreement imposed upon the Company;
- (v) Accept the delivery of DS Supply necessary to meet the DS Load;  
and
- (vi) Be responsible (as between the Company and the DS Supplier) for the provision of the Allocated AECs, if any, to satisfy a portion of AEPS requirements.

### **2.3 Congestion and Congestion Management**

The DS Supplier is responsible for any congestion costs incurred to meet the DS Supplier Responsibility Share. The Company shall transfer or assign to the DS Supplier the Company's rights to Auction Revenue Rights (ARRs) to which the Company is entitled as an LSE pursuant to the PJM Agreements, including the rights to ARRs, provided that such rights are related to the service being provided to meet the DS Supplier Responsibility Share and such rights are for the Delivery Period. All rights, liabilities and obligations associated with such ARRs will accrue and be assumed by the DS Supplier through the transfer or assignment from the Company to the DS Supplier including the responsibility and ability of the DS Supplier to request or nominate such ARRs when applicable and feasible. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations will nominate such ARRs for the upcoming PJM planning period and such ARRs will be allocated to the DS Supplier in accordance with the PJM Agreements based upon its DS Supplier Responsibility Share.

### **2.4 PJM Services**

The DS Supplier shall make all necessary arrangements for the delivery of DS Supply through the PJM OI. The Company will advise the PJM OI of the magnitude and location of each DS Supplier's actual DS Supplier Responsibility Share, as required by the PJM OI, for the purpose of calculating such DS Supplier's appropriate DS Supply requirements related to the provision of service under this Agreement by DS Supplier arising under the PJM Agreements. The DS Supplier shall remain responsible to PJM for the performance of its LSE obligations associated with the provision of DS Supply under this Agreement until the effective date of the transfer of such LSE obligations.

The Company shall generate and provide to DS Supplier PJM shortname(s) associated with supplier's unique contract type(s), as necessary. Unique shortname(s) may be generated for each differing contract type. DS Supplier shall complete all required forms and processing to PJM to create shortname(s) within the PJM system.

For the period of time that this Agreement is in effect, both Buyer and DS Supplier agree that PJM Settlement, Inc, shall transfer the applicable billing line item charges and/or credits as designated between the Buyer and DS Supplier in EXHIBIT D. Buyer will be responsible for initiating and/or maintaining Billing Line Item Transfers utilizing the PJM Billing Line Item Tool. DS Supplier agrees to confirm/approve Billing Line Item Transfers by the last business day of the month prior to the Delivery Period of the first Transaction under the Agreement.

## **2.5 PJM Agreement Modifications**

(a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.

(b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement, including the DS Supplier's responsibility for changes in PJM products and pricing during the Term.

## **2.6 PJM Member Default Cost Allocation**

In the event PJM imposes a Default Allocation Assessment upon the Company relating to a default during the Term, the Company shall invoice DS Supplier and DS Supplier shall pay an amount equal to the product of (i) DS Supplier Responsibility Share, and (ii) the Default Allocation Assessment, less the amounts of any types of charges allocated to the Company under this Agreement that are used by PJM in calculating such Default Allocation Assessment.

## **2.7 Other Fines and Penalties**

If fees, fines, penalties, or costs are claimed or assessed against the Company by any Applicable Legal Authority or PJM due to noncompliance by the DS Supplier with this Agreement, any other requirements of law, or the PJM Agreements, the DS Supplier shall indemnify and hold the Company harmless against any and all losses, liabilities, damages, and claims suffered or incurred by the Company, including claims for indemnity or contribution made by third parties against the Company, except to the extent the Company recovers any such losses, liabilities or damages through other provisions of this Agreement.

## **2.8 Communications and Data Exchange**

The DS Supplier and the Company shall supply to each other in a thorough and timely manner all data, materials or other information that is specified in this Agreement, or that may otherwise reasonably be required by DS Supplier or by the Company in connection with the provision of DS Supply by the DS Supplier to DS Customers, if required.

The DS Supplier shall be equipped with the communications capabilities necessary

to comply with the communications and data exchange standards that are set by and as may, from time to time, be modified by PJM, and shall exclusively bear the costs of installing, maintaining, testing, and operating all required information technology systems that will enable it to send to and receive data from the Company and PJM and to satisfy its obligations under this Agreement, the PJM Agreements and all other relevant agreements.

## **2.9 Record Retention**

The Company shall retain necessary records for the longer of two years or as required under applicable PaPUC requirements so as to permit DS Supplier to confirm the validity of payments due to DS Supplier hereunder; provided that if a DS Supplier has provided notice pursuant to this Agreement that it disputes the validity of any payments, the Company agrees that it shall retain all records related to such dispute until the dispute is finally resolved.

## **2.10 Verification**

In the event of a good faith dispute regarding any invoice issued or payment due under this Agreement, and provided that a mutually acceptable confidentiality agreement is executed by the Parties, each Party will have the right to verify, at its sole expense, the accuracy of the invoice or the calculation of the payment due by obtaining copies of relevant portions of the books and records of the other Party.

## **2.11 Forward Contract Merchant**

The Parties agree that the Agreement is a “forward contract merchant” within the meaning of the United States Bankruptcy Code, all setoffs, netting and liquidations contemplated hereunder constitute “settlement payments” as set forth in Sections 101 and

741 of the United States Bankruptcy Code and each payment or transfer of Performance Assurance is a “margin payment”, “settlement payment” or transfer within the meaning of Section 101 of the United States Bankruptcy Code for the purposes of and as used in such Code.

### **ARTICLE 3: REPRESENTATIONS AND WARRANTIES**

#### **3.1 DS Supplier’s Representations and Warranties**

The DS Supplier hereby represents, warrants and covenants to the Company on the Effective Date and throughout the term of this Agreement as follows:

a) It is a corporation, partnership, limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania or, if another jurisdiction, under the laws of such jurisdiction and, in such case, is duly registered and authorized to do business in such other jurisdiction;

b) It has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder, including satisfaction of all applicable FERC requirements;

c) The execution and delivery of this Agreement and the performance of such DS Supplier’s obligations hereunder have been duly authorized by all necessary action on the part of the DS Supplier and do not and will not conflict with, or constitute a breach of or default under, any of the terms, conditions, or provisions of the DS Supplier’s certificate of incorporation or bylaws or other constituent instruments or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule,



regulation, order, judgment, or decree of any judicial or administrative body to which the DS Supplier is a party or by which the DS Supplier or any of its properties is bound or subject;

d) All necessary and appropriate action that is required on the DS Supplier's part to execute this Agreement has been completed;

e) This Agreement is the legal, valid and binding obligation of the DS Supplier, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity;

f) There are no actions at law, suits in equity, proceedings or claims pending or, to the DS Supplier's knowledge, threatened against the DS Supplier before any Federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the DS Supplier's performance of its obligations hereunder;

g) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

h) It is in good standing as an LSE in PJM, is a signatory to all applicable PJM Agreements, and is in compliance with, and will continue to comply with, all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to LSEs as defined by the PJM Agreements; provided that the DS Supplier shall not be obligated to become an LSE in PJM until the date it begins providing DS Supply;

i) It has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it

has deemed necessary and not in reliance upon any view expressed by the Company;

j) It will comply with any and all information and data transfer protocols that may be adopted by the Company or that are set by, and from time to time modified by, the PaPUC; provided that DS Supplier shall be entitled to exercise its reserved right to challenge any such protocols in the appropriate forum.

k) It is not Bankrupt or insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt or insolvent;

l) There are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates, or any legal proceedings before any Governmental Authority, that could materially adversely affect its ability to perform its obligations under this Agreement;

m) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

n) It is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement;

o) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of DS Supply as required by this Agreement; and it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act.

### **3.2 Company's Representations and Warranties**

The Company hereby represents, warrants and covenants to the DS Supplier as follows:

a) The Company is an electric utility corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania;

b) The Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

c) The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary action on the part of the Company and do not and will not conflict with, constitute a breach of or default under, any of the terms, conditions, or provisions of the Company's certificate of incorporation or bylaws or any indenture, mortgage, other evidence of indebtedness, or other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Company is a party or by which the Company or any of its properties is bound or subject;

d) All necessary and appropriate action that is required on the Company's part to execute this Agreement has been completed;

e) This Agreement is the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights in general or by general principles of equity and the Commission's power under section 508 of the Public Utility Code, 66 Pa.C.S. § 508, to amend or modify the

contracts of public utilities;

f) The ability of the Company to pay any and all amounts due and payable under this Agreement, or upon any potential breach thereof, is not conditioned upon any governmental or administrative appropriation by the Commission, the Commonwealth of Pennsylvania or any other governmental authority;

g) There are no actions at law, suits in equity, proceedings or claims pending or, to the Company's knowledge, threatened against the Company before any Federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the Company's performance of its obligations under this Agreement;

h) It has entered into this Agreement with a full understanding of the material terms and risks of the same, and it is capable of assuming those risks;

i) The Company's performance under this Agreement is not contingent upon the performance of Customers or the ability of Customers to pay rates;

j) The Company shall have sole responsibility for metering and billing with respect to Customers; and

k) The Company shall be responsible for electric distribution services and the DS Supplier shall not be responsible for distribution charges.

### **3.3 Survival of Obligations**

All representations and warranties contained in this Article are of a continuing nature and shall be maintained during the term of this Agreement or until all amounts due hereunder, including all obligations, have been paid or performed in full. If a Party learns that any of the representations, warranties or covenants in this Agreement are no longer

true during the term of this Agreement, the Party shall immediately notify the other Party via facsimile, with a hard copy of the notice delivered by overnight mail.

## **ARTICLE 4: COMMENCEMENT AND TERMINATION OF AGREEMENT**

### **4.1 Commencement and Termination**

The term of this Agreement shall commence upon the Effective Date. Unless otherwise agreed upon by the Company and the DS Supplier, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless the Agreement is terminated prematurely pursuant to the provisions of this Agreement.

### **4.2 Termination of Right to Supply**

The DS Supplier agrees that termination of this Agreement for reason of an Event of Default shall terminate any right of the DS Supplier to provide DS Supply to the DS Customers and nullify any of the entitlements to which the DS Supplier became entitled as a result of being selected as a winning bidder in the DS Solicitation.

### **4.3 Survival of Obligations**

Termination of this Agreement for any reason shall not relieve the Company or the DS Supplier of any obligation accrued or accruing prior to such termination. Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings.

### **4.4 Mutual Termination**

The Company and the DS Supplier may agree at any time during the term of this Agreement to terminate their respective rights and obligations hereunder on such terms and

under such conditions that they mutually deem to be appropriate as set forth in a mutual termination agreement acceptable in form and substance to the Company and the DS Supplier (“Mutual Termination Agreement”); provided that Company agrees that it shall enter into such a Mutual Termination Agreement, which will discharge the terminating DS Supplier (the “Terminating DS Supplier”) with respect to liabilities arising after the effective date of the Mutual Termination Agreement if the following conditions precedent are met: (i) the Terminating DS Supplier identifies a replacement DS Supplier willing to assume all obligations of the Terminating DS Supplier hereunder for the remaining term of this Agreement (the “Replacement DS Supplier”); (ii) the Replacement DS Supplier demonstrates its compliance with Article 6 of this Agreement, “Creditworthiness”, as of the effective date of the Mutual Termination Agreement, that determination to be made in the sole discretion of Company; (iii) the Replacement DS Supplier executes a counterpart signature page to this Agreement and thereby becomes a Party under this Agreement, effective immediately following the effective date of the Mutual Termination Agreement; and (iv) the Terminating DS Supplier is not, to the belief or knowledge of the Company, subject to an Event of Default as of the effective date of the Mutual Termination Agreement or, if the Company believes that the Terminating DS Supplier may be subject to an Event of Default, either (a) the Company has determined that, as of the effective date of the Mutual Termination Agreement, it has not incurred any Damages as a result of the Event of Default or (b) if the Company has determined, as of the effective date of the Mutual Termination Agreement, that it may have incurred Damages as a result of the Event of Default, that the Replacement DS Supplier has agreed in writing to be responsible for the

payment of such Damages or to otherwise cure the Event of Default, in either case to the satisfaction of the Company in its sole discretion.

## **ARTICLE 5: BREACH AND DEFAULT**

### **5.1 Events of Default**

An Event of Default under this Agreement shall occur if a Party (the “Defaulting Party”):

- (i) Is the subject of a voluntary bankruptcy, insolvency or similar proceeding;
- (ii) Makes an assignment for the benefit of its creditors;
- (iii) Applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets;
- (iv) Is dissolved (other than pursuant to a consolidation, amalgamation or merger) or is the subject of a Merger Event;
- (v) Has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets;
- (vi) Has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vii) In the case of a DS Supplier, PJM terminates the DS Supplier’s ability to make purchases from PJM markets or PJM holds the Company responsible for the provision of DS Supply under this Agreement and PJM does not rescind such termination or assignment of responsibility within seven (7) Business Days;
- (viii) Fails to comply with the creditworthiness requirements as set forth in

Article 6 of this Agreement, including, without limitation, compliance with the creditworthiness requirements to cover the Margin calculated under Section 6.7 or post any Margin due under Section 6.7 of this Agreement, within the time frames set forth in this Agreement;

(ix) Is declared by PJM to be in default of any provision of any PJM Agreement, which default prevents a Party's performance hereunder if such failure is not remedied within three (3) Business Days after written notice;

(x) Failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;

(xi) Violates any Federal, state or local code, regulation or statute applicable to the supply of Energy and/or AECs in a manner that materially, and adversely, affects the Party's performance under this Agreement, including by way of failure to continually satisfy all applicable FERC requirements, or, in the case of the DS Supplier, by way of failure to maintain any other governmental approvals required for participation in the Pennsylvania retail Energy market, or defaults on any obligation or other failure to comply with PJM requirements under the PJM Agreements;

(xii) Is the subject of an involuntary bankruptcy or similar proceeding;

(xiii) Subject to Section 5.3 (b) of this Agreement, in the case of the Company, fails to accept DS Supply properly tendered by the DS Supplier under this Agreement;

(xiv) Failure to perform any material covenant or obligation set forth in this Agreement, if such failure is not remedied within three (3) Business Days after written notice;



(xv) Makes a materially incorrect or misleading representation or warranty under this Agreement or under any response to the DS Solicitation; or

(xvi) Commits an act or makes an omission that constitutes an “Event of Default” under any other agreement(s) for the provision of DS Supply between the Company and the DS Supplier; and fails to remedy such condition, event or delinquency herein above described such that the other Party (the “Non-Defaulting Party”) is completely made whole with respect to such condition, event or delinquency, within three (3) Business Days of receipt of written notice thereof from such Non-Defaulting Party; provided, however, that an Event of Default shall be deemed to have occurred immediately, without any need for the provision of notice thereof by the Non-Defaulting Party and without any right of cure on the part of the Defaulting Party, in the event of the occurrence of a condition, event or delinquency described in subsections “i”, “ii”, “iii”, “iv”, “v”, “vi”, “vii” or “viii” above. Termination of this Agreement by the PaPUC, other regulatory authority or court of law does not constitute an Event of Default under this Agreement.

(xvii) With respect to the DS Supplier’s Guarantor, if any:

1. any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
2. Guarantor fails to make, when due, any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such

failure shall not be remedied within two (2) Business Days after written notice;

3. Guarantor's guaranty fails to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party; or
4. Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty.

## **5.2 Rights upon Default**

Upon and during the continuation of an Event of Default, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Article 5.7. In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all of the following remedies:

- (i) Declare an Early Termination Date of this Agreement with respect to the obligations of the Defaulting Party without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by providing written notice to the Defaulting Party; provided, however, that this Agreement shall immediately terminate automatically and without notice in the case of any Event of Default in which a DS Supplier

is the Defaulting Party occurring under subsections (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) of Article 5.1 of this Agreement and such date of automatic termination shall be deemed the Early Termination Date of this Agreement with respect to such DS Supplier; and

- (ii) Receive Damages in accordance with Section 5.3 of this Agreement.

The Non-Defaulting Party shall be entitled to elect or pursue one or more of the above remedies.

### **5.3 Damages Resulting From an Event of Default**

(a) **DS Supplier's Failure to Supply DS Supply or Declaration of Early Termination By Company:** Damages resulting from (i) the DS Supplier's failure to (A) provide DS Supply in conformance with Article 2.2 hereof or (B) pay PJM for purchases of any products or services from PJM, or other failure to comply with PJM requirements, such that PJM holds the Company responsible for the provision of DS Supply to meet the DS Supplier's DS Supplier Responsibility Share under this Agreement or (ii) the occurrence of any Event of Default attributable to the DS Supplier resulting in Early Termination, shall include all Costs incurred by the Company, acting in a commercially reasonable manner consistent with any statutory or regulatory requirements imposed by the Applicable Legal Authorities, in obtaining replacement services or in obtaining a replacement supplier, which Costs exceed the amounts that would have been payable to the defaulting DS Supplier under this Agreement. Costs incurred by the Company for the purpose of calculating Damages hereunder will consist of:

- (i) The cost of DS Supply allocated to the Company by the PJM OI due to the failure of the DS Supplier to meet obligations owing to the PJM OI in connection with its obligations under this Agreement;

(ii) The costs of DS Supply purchased by the Company to replace DS Supply that a DS Supplier was obligated to supply under this Agreement during the term hereof;

(iii) Administrative and legal costs associated with procuring replacement DS Supply; and

(iv) Financial hedging costs incurred by the Company on behalf of DS Customers as a result of having to procure DS Supply not provided by the DS Supplier.

The Parties further recognize and agree that the final calculation of Damages hereunder may not be known for some time since the level of such Damages may be dependent upon the arrangements made by the Company to obtain replacement services or a replacement DS Supplier. The Company and the DS Supplier agree that, until the calculation of Damages under this provision is completed, the amount and payment to the Company of the Settlement Amount on behalf of DS Customers in the event of an Early Termination as set forth in Article 5.4 of this Agreement shall be immediately due and owing as an estimate of all Damages ultimately determined to be due and owing. After Damages have been finally determined under this Article 5.3, the amounts of Damages due and owing will be reconciled with payments already made by the DS Supplier under Section 5.4 of this Agreement.

(b) **Failure By Company on Behalf of Customers To Accept DS Supply Tendered By DS Supplier:** Damages resulting from the failure of the Company on behalf of Customers to accept DS Supply tendered by the DS Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement shall consist of the positive difference (if any) between (i) the amounts that would have been payable to the DS Supplier hereunder had the Company accepted the DS Supply tendered by the DS

Supplier necessary to meet the DS Supplier Responsibility Share of DS Load under this Agreement and (ii) the amount realized by the DS Supplier in disposing, in a commercially reasonable manner, of the DS Supply not accepted by the Company; provided, however, that the Company shall not be required to accept on behalf of any Customer, quantities of DS Supply utilized by Customers on an instantaneous basis as a function of electrical load, in excess of such Customer's instantaneous consumption of such component of DS Supply; and further provided that the Company shall not be liable for any Damages if this Agreement is terminated by the PaPUC, other regulatory authority or a court of law.

(c) **Damages Resulting From Early Termination Due To An Event of Default Attributable To the Company:** Damages resulting from Early Termination due to an Event of Default attributable to the Company shall be as set forth in Section 5.4 of this Agreement. Damages calculated in accordance with said Article 5.4 shall be the exclusive remedy available to the DS Supplier in the event of Early Termination resulting from an Event of Default attributable to the Company.

(d) **Damages Resulting from DS Supplier's Failure to Continuously Satisfy its AEPS Obligations:** Damages resulting from the DS Supplier's failure to continuously meet and satisfy all or any portion of its obligations under Section 2.2 (a)(viii) of this Agreement shall include, but not be limited to, the amount of all penalties, costs associated with the procurement of additional AECs, etc. including, without limitation, interest and other charges, if any, levied against the Company related to AEPS regulations, due to such DS Supplier's conduct or inaction.

(e) **Other Damages:** Damages for Events of Default not specified above shall consist of the direct Damages incurred by the Non-Defaulting Party.

(f) **Waiver of Event of Default:** If an Event of Default has occurred and the Non-Defaulting Party is the Company, then unless the Event of Default was a failure by the DS Supplier to meet any or all of its DS Supply obligations, the Company may elect, at its sole discretion, to offer to waive the default on such terms and conditions as the Company, at its sole discretion, may deem appropriate to propose a special remedy. Any such special remedy can only be offered to the DS Supplier if it first is specifically approved by the PaPUC in accordance with Commission Orders.

**5.4 Declaration of an Early Termination Date and Calculation of Settlement Amount and Termination Payment**

(a) **Settlement Amount.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the Non-Defaulting Party shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as a date for Early Termination (“Early Termination Date”) to accelerate all amounts owing between the Parties and to liquidate and terminate the undertakings set forth in this Agreement, (ii) to withhold any payments due to the Defaulting Party under this Agreement, and (iii) to suspend performance; provided however, that an Early Termination Date shall be deemed to occur automatically and concurrently with the Event of Default, without any requirement for the provision of notice by the Non-Defaulting Party, with respect to an Event of Default under subsections (i), (ii), (iii), (iv), (v), (vi), (vii), and (viii) of Article 5.1 of this Agreement. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount with respect to the obligations under this Agreement.

The DS Supplier may, in its sole discretion, select the notional quantity in the following subsection 5.4(a)(i) by checking the box below. If the DS Supplier does not select subsection 5.4(a)(i) by checking the box, it will be deemed to be excluded from this Agreement.

(i) For the purposes of such determination, the DS Supply provided for under this Agreement for the period following the Early Termination Date through the remainder of the term of this Agreement shall be deemed to be those quantity amounts that would have been delivered on an hourly basis, had this Agreement been in effect during the previous calendar year adjusted for such DS Load changes as may have occurred since the previous calendar year.

(b) **Net Out of Settlement Amounts.** The Non-Defaulting Party shall calculate a Termination Payment by aggregating all Settlement Amounts due under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply into a single amount by netting out (a) all Settlement Amounts that are due or will become due to the Defaulting Party, plus at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party and actually received, liquidated and retained by the Non-Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply against (b) all Settlement Amounts that are due or will become due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply, so that all such amounts shall be netted out to a single liquidated amount; provided,

however, that if the DS Supplier is the Defaulting Party and the Termination Payment is due to the DS Supplier, the Company shall be entitled to retain a commercially reasonable portion of the Termination Payment, which may be equal to the entire amount of the Termination Payment, as security for additional amounts that may be determined to be due and owing by the DS Supplier as Damages and further provided that any previously attached security interest of the Company in such retained amounts shall continue. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. If the Termination Payment has been retained by the Company as security for additional amounts that may be determined to be due and owing by the DS Supplier, and if, upon making a final determination of Damages, the Termination Payment, or any portion thereof, is to be made to the DS Supplier, the Company will pay simple interest on the Termination Payment amount being made to the DS Supplier. Simple interest will be calculated at the lower of the Interest Index or six (6) percent per annum.

(c) **Notice of Termination Payment.** As soon as practicable after calculation of a Termination Payment, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. Subject to Article 5.4(b) above, the Termination Payment shall be made by the Party that owes it within three (3) Business Days after such notice is effective.

(d) **Disputes With Respect to Termination Payment.** If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within three (3) Business Days of



receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party as specified in the Termination Payment Dispute Notice.

(e) **Multiple DS Supply Agreements.** It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the Effective Date of this Agreement or are entered into after the Effective Date of this Agreement, the Company will calculate a single Termination Payment applicable to all such agreements as set forth herein.

### **5.5 Step-up Provision**

The Company may ask other DS Suppliers whether they wish to assume all or part of the delivery obligations on the same terms and price contained herein, but any DS Supplier shall not be obligated to assume any such step-up requests. Any agreement to make additional supply available shall be termed a "Step-Up", and is subject to compliance with the creditworthiness provisions of Article 6 of this Agreement and the DS Supplier's load cap as per the Company's approved default service procurement plan. For the avoidance of doubt, in the event that the DS Supplier does not respond to the Company's Step-Up request within the relevant timeframe, then the DS Supplier shall be deemed to have rejected the Company's request in full.

## **5.6 Setoff of Payment Obligations of the Non-Defaulting Party**

Any payment obligations of the Non-Defaulting Party to the Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply shall be set off: (i) first, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured and not subject to any Guaranty; (ii) second, to satisfy any payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply that are unsecured, but which are subject to a Guaranty; and (iii) third, to satisfy any remaining payment obligations of the Defaulting Party to the Non-Defaulting Party pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply.

## **5.7 Preservation of Rights of Non-Defaulting Party**

The rights of the Non-Defaulting Party under this Agreement, including without limitation Article 5.4 and 5.7 of this Agreement, shall be supplemental to, and not in lieu of any right of recoupment, lien, or set-off afforded by applicable law, and all such rights are expressly preserved for the benefit of the Non-Defaulting Party.

- a. Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

- b. Return of Auction Revenue Rights. When the DS Supplier is the Defaulting Party, the DS Supplier will make best efforts to facilitate the transfer or reassignment to the entity which is the replacement DS Supplier on the Early Termination Date, any and all of the replacement DS Supplier's rights to Auction Revenue Rights (ARRs) to which the replacement DS Supplier is entitled as a LSE pursuant to the PJM Agreements, which were transferred or assigned to the DS Supplier under Section 2.3 (Congestion and Congestion Management).

## **ARTICLE 6: CREDITWORTHINESS**

### **6.1 Applicability**

The DS Supplier agrees that it shall meet the creditworthiness requirements of this Article 6 at all times during the term of this Agreement and shall inform the Company immediately of any changes in its credit rating or financial condition. Without limitation of the foregoing, the DS Supplier shall, upon written request, affirmatively demonstrate to the Company, its compliance with the creditworthiness requirements set forth hereunder. The Company may establish less restrictive creditworthiness requirements under this Article 6 in a non-discriminatory manner.

### **6.2 Creditworthiness Determination**

The DS Supplier may submit and maintain a security deposit in accordance with Section 6.7 of this Agreement in lieu of submitting to or being qualified under a creditworthiness evaluation. The DS Supplier shall have the opportunity to request that the Company re-evaluate its creditworthiness whenever an event occurs that the DS Supplier believes would improve the determination made by the Company of its

creditworthiness. The Company's credit re-evaluation must be completed as soon as possible but no longer than thirty (30) days after receiving a fully documented request. The Company must provide the rationale for its determination of the credit limit and any resulting security requirement. The Company must perform its credit re-evaluation and associated security calculation in a non-discriminatory manner. DS Supplier shall provide the Company and its agent's unrestricted access to audited financial statements; provided that if audited financial statements are not available, the Company, in its sole discretion, may specify other types of financial statements that will be accepted.

### **6.3 Independent Credit Requirement per Tranche**

The Independent Credit Requirement per Tranche ("ICRT") that will be required of DS Suppliers under each Agreement will initially be the sum of the amounts set forth on Appendix A at the inception of the Original Delivery Period for each Tranche and will decline throughout the Term in accordance with the schedule set forth on Appendix A.

### **6.4 Independent Credit Threshold**

Each DS Supplier that qualifies under the following criteria will be granted an Independent Credit Threshold ("ICT").

- (a) For a DS Supplier or its Guarantor that has been organized under the laws of the United States, the following requirements must be satisfied in order for such SSO Supplier to be granted an ICT:
  - (i) the DS Supplier or its Guarantor, as applicable, must (1) be rated by S&P Global Ratings ("S&P"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch"), and (2) have a minimum senior unsecured debt rating (or, if unavailable, corporate or issuer rating) of at least "BB" from S&P,

“Ba2” from Moody’s, or “BB” from Fitch (a “Minimum Rating”). If the DS Supplier or its Guarantor is rated by only two rating agencies and the ratings are split, the lower rating will be used. If the DS Supplier or its Guarantor is rated by three rating agencies and the ratings are split, the lower of the two highest ratings will be used; provided that, in the event that the two highest ratings are common, such common rating will be used. If the DS Supplier and an Affiliate(s) are both winning bidders in the Solicitation for the provision of DS Supply, then the DS Supplier or its Guarantor, as applicable, and the Affiliate(s) will proportionally share the maximum level of the ICT using the highest rating as determined for the DS Supplier or its Guarantor, as applicable, and the Affiliate(s). The maximum level of the ICT will be determined based on the following table:

Credit Rating of the DS Supplier or its Guarantor			Max. Independent Credit Threshold (calculated as the lesser of the percentage of TNW and the applicable Independent Credit Cap below)	
S&P	Moody’s	Fitch	Percentage of TNW	Independent Credit Threshold Cap
A- and above	A3 and above	A- and above	16%	Not applicable
BBB+	Baa1	BBB+	16%	Not applicable
BBB	Baa2	BBB	10%	Not applicable
BBB-	Baa3	BBB-	8%	Not applicable
BB+	Ba1	BB+	4%	\$3,000,000
BB	Ba2	BB	3%	\$1,500,000

BB- below	and	Ba3 and below	BB- below	and	0%	\$0
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(ii) for DS Supplier having a Guarantor, the maximum level of the ICT that can be granted based on an ICT Guaranty will be determined in accordance with subsection (i) above, with reference to the credit rating of the Guarantor.

The ICT granted to the DS Supplier will not exceed the amount of the ICT Guaranty. The ICT Guaranty tendered by the DS Supplier to satisfy the ICT requirement arising under this Section 6.4 shall be a separate guaranty from the Total Exposure Amount Guaranty, if any, tendered by the DS Supplier to satisfy any requirement for a Credit Limit to cover the Total Exposure Amount arising under Section 6.7; provided, however, that a single Guaranty may be provided if such Guaranty is for an unlimited amount.

(b) For a DS Supplier or Guarantor that has not been incorporated or otherwise formed under the laws of the United States and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (“GAAP”) in the United States, they shall supply the following additional information:

(i) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the DS Supplier or Guarantor is incorporated or otherwise formed that this Agreement is, or upon completion of execution formalities will become, the binding obligation of the DS Supplier or Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and

(ii) The sworn certificate of the corporate secretary (or similar officer)

of such DS Supplier or Guarantor that the person executing this Agreement on behalf of the DS Supplier has the authority to execute the Agreement and that the governing board of the DS Supplier or Guarantor has approved the execution of this Agreement;

(iii) The sworn certificate of the corporate secretary (or similar officer) of such DS Supplier or Guarantor that the DS Supplier or Guarantor has been authorized by its governing board to enter into agreements of the same type as this Agreement; and

(iv). Such other documents and certificates as may be required by the Company in its sole discretion.

## **6.5 Credit Exposure Methodology**

The credit exposure per tranche that will be required of the DS Supplier under this agreement will be determined by the DS Customer Group as stated on the Transaction Confirmation(s).

For the Industrial class, the credit exposure under this Agreement shall be \$140,000 times the number of tranches shown on the Transaction Confirmation(s). If the DS Supplier meets the Minimum Rating in Section 6.6, no security will be required as long as the Total Exposure Amount does not exceed the maximum credit limit of the DS Supplier or its Guarantor.

To calculate the daily exposure for each DS Supplier for the Residential and Commercial classifications as stated on the Transaction Confirmation(s), the MtM credit exposure methodology will be used. The “mark” for each Billing Month will be determined at the time the auction is completed based on the available Forward Market

Prices and for the remaining Billing Months will be derived based on historical data. At the time the auction is completed, the MtM credit exposure for each DS Supplier shall be equal to zero. Subsequently, the differences between the available Forward Market Prices on the valuation date and the “mark” prices for the corresponding Billing Months will be used to calculate the daily credit exposures for each DS Supplier. The total MtM credit exposure will be equal to the sum of the MtM credit exposures for each Billing Month. The methodology for calculation of the MtM credit exposure is illustrated in the example (using hypothetical numbers) set forth in Appendix B hereto.

## **6.6 Credit Limit**

The following criteria constitute the Company’s creditworthiness requirements for the DS Supplier to cover the Total Exposure Amount. In all instances, the most current senior unsecured debt rating (or, if unavailable, the most current corporate issuer rating) will be used.

(i) For a DS Supplier to be granted an unsecured line of credit, the DS Supplier must be rated by at least two of the following rating agencies: S&P, Moody’s, or Fitch. The methodology for determining the credit rating to use is set forth in Appendix A of this Agreement. The Maximum Credit Limit to cover the Total Exposure Amount will be determined based on the credit matrix table in Appendix A of this Agreement.

The DS Supplier will be required to post cash or a letter of credit in an acceptable form as defined in Section 6.9 (b) of this Agreement (see standard format in Appendix F) for the Margin due the Company as set forth in Section 6.7 of this Agreement;  
or

(ii) For a DS Supplier having a Guarantor, in the case of a Guarantor



organized under the laws of the United States, the Guarantor (1) must be rated by at least two of the following rating agencies: S&P, Moody's, or Fitch, and (2) must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating) equal to the Minimum Rating. If the Guarantor is rated by only two rating agencies, and the ratings are split, the rating will be established based on the methodology outlined in Appendix A of this Agreement. The Maximum Credit Limit to cover the Total Exposure Amount that could be provided through the Guaranty (see standard format in Appendix G) will be determined based on the credit matrix table for Guarantors on Appendix A. The DS Supplier will be granted a credit limit equal to the lesser of (i) the amount of the Guaranty as provided to the Company at the time this Agreement is executed as such amount may be modified in any amended or substitute Guaranty provided to the Company during the term of this Agreement, or (ii) the Supplier's Maximum Credit Limit. The DS Supplier, however, may not increase or substitute its Guaranty for the purpose of increasing its applicable credit limit during the time period after the Company has made a Margin call but before the DS Supplier has posted the required Margin. Notwithstanding anything herein to the contrary, the DS Supplier may increase the limit of its Guaranty after satisfying a Margin call from the Company and upon the Company's receipt of an amended or substitute Guaranty increasing the limit of the Guaranty, the DS Supplier may request a return of Margin in accordance with Section 6.7 of this Agreement. The DS Supplier will be required to post cash or a letter of credit in an acceptable form as defined in Section 6.9(b) of this Agreement (see standard format in Appendix F) for the Margin due the Company as set forth in Section 6.7 of this Agreement; or

(iii) For a DS Supplier or Guarantor that has not been incorporated or

otherwise formed under the laws of the United States and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (“GAAP”) in the United States, they shall supply the following additional information:

- a. A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the DS Supplier or Guarantor is incorporated or otherwise formed that this Agreement is, or upon completion of execution formalities will become, the binding obligation of the DS Supplier or Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and
- b. The sworn certificate of the corporate secretary (or similar officer) of such DS Supplier or Guarantor that the person executing this Agreement on behalf of the DS Supplier has the authority to execute the Agreement and that the governing board of the DS Supplier or Guarantor has approved the execution of this Agreement;
- c. The sworn certificate of the corporate secretary (or similar officer) of such DS Supplier or Guarantor that the DS Supplier or Guarantor has been authorized by its governing board to enter into agreements of the same type as this Agreement; and
- d. Such other documents and certificates as may be required by the Company in its sole discretion.
  - (iv) The posting of cash or a letter of credit as defined in Section 6.9 (b) below for the entire Total Exposure Amount as set forth in Section 6.7 of this Agreement.

## **6.7 Posting Margin and Return of Surplus Margin**

(a) If at any time and from time to time during the term of this Agreement, the Total Exposure Amount, rounded by the Rounding amount, exceeds the DS Supplier's or the Guarantor's credit limit by the Minimum Transfer Amount (MTA), then the Company on any Business Day, may request that the DS Supplier provide cash or a letter of credit in an acceptable form as defined in Article 6.9(b) of this Agreement (see standard format in Appendix F), in an amount equal to the Margin (less any Margin posted by the DS Supplier and held by the Company pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply).

If the DS Supplier receives written notice for Margin from the Company by 1:00 p.m. New York time on a Business Day, then the DS Supplier shall post Margin the next following Business Day, if posting cash, and by the second Business Day following the date of notice, if posting a letter of credit, unless the Company agrees in writing to extend the period to provide Margin. If the DS Supplier receives notice for Margin from the Company after 1:00 p.m. New York time on a Business Day, whether posting cash or a letter of credit, then the DS Supplier must post Margin the second Business Day following the date of notice unless the Company agrees in writing to extend the period to provide Margin. The Company will not unreasonably deny a request for a one-day extension of such period. In the event that the DS Supplier fails to post Margin when due in accordance with this Article 6.7, then an Event of Default under Article 5 of this Agreement will be deemed to have occurred and the Company will be entitled to the remedies set forth in Article 5 of this Agreement.

(b) Surplus Margin being held by the Company that is not needed to satisfy the Total Exposure Amount, as determined above, will be returned to the DS Supplier upon receipt of a written request by the DS Supplier. Surplus Margin means cash or a letter of credit posted by the DS Supplier as a result of a request by the Company pursuant to Article 6.7(a) that exceeds the Total Exposure Amount less the DS Supplier's or the Guarantor's credit limit (rounded by the Rounding Amount). If the resulting Surplus Margin amount is more than the Minimum Transfer Amount, it will be returned to the DS Supplier. If the DS Supplier posted cash and notice is received by 1:00 p.m. New York time on a Business Day, the surplus Margin will be returned by the next following Business Day and if the DS Supplier posted cash and notice is received by the Company after 1:00 p.m. New York time on a Business Day, the surplus Margin shall be returned by the second Business Day following the date of notice, unless the DS Supplier agrees in writing to extend the period to return the surplus Margin. If the DS Supplier posted a letter of credit, the surplus Margin shall be returned on the next Business Day following the Business Day on which the amendment to the letter of credit is received from the issuing bank, unless the DS Supplier agrees in writing to extend the period to return the surplus Margin. The DS Supplier will not unreasonably deny a request for a one-day extension of such period. In the event that the Company fails to return the surplus Margin when due in accordance with this Article, then an Event of Default under Article 5 of this Agreement will be deemed to have occurred and the DS Supplier will be entitled to the remedies set forth in Article 5 of this Agreement.

#### **6.8 Grant of Security Interest/Remedies**

To secure its obligations under this Agreement and to the extent that the DS Supplier posted Margin/collateral hereunder, the DS Supplier hereby grants to the

Company a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the Company, and the DS Supplier and the Company agree to take such action as is reasonably required to perfect the secured Party's first priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Company may do any one or more of the following: (i) exercise any of the rights and remedies of the Company with respect to all collateral, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the DS Supplier in the possession of the Company whether held in connection with this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all security held by or for the benefit of the Company free from any claim or right of any nature whatsoever of the DS Supplier, including any equity or right of purchase or redemption by the DS Supplier. The Company shall apply the proceeds of the collateral realized upon the exercise of such rights or remedies to reduce the DS Supplier's obligation under this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply (the DS Supplier remaining liable for any amounts owing to the Company after such application), subject to the Company's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

All notices, demands or requests regarding credit requirements and credit related security or deposit transfers shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to a DS Supplier to:

Copy to:

If to the Company to:

FirstEnergy Corp.  
341 White Pond Drive  
Akron, OH 44320  
Attn: Credit Risk Management  
Phone: (330) 315 7226  
Facsimile:  
Email: [margin@firstenergycorp.com](mailto:margin@firstenergycorp.com)

Copy to:  
FirstEnergy Corp.  
P.O. Box 16001  
Reading, PA 19612-6001  
Attn: Tori Giesler  
Supervising Counsel  
Phone: (610) 921-6658  
Facsimile: (610) 939-8655  
Email: [tgiesler@firstenergycorp.com](mailto:tgiesler@firstenergycorp.com)

Notice received after the close of the Business Day shall be deemed received on the next Business Day; provided that notice by facsimile transmission shall be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

## **6.9 Security Instruments**

At each DS Supplier's choice, the following are deemed to be acceptable methods for posting security, if required:

(a) Cash; or

(b) A standby irrevocable letter of credit acceptable to the Company, in its sole discretion, issued by a bank or other financial institution with a minimum “A” senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P and “A2” from Moody’s (see standard format in Appendix F). The letter of credit shall state that it shall renew automatically for successive one-year or shorter periods, until terminated upon at least ninety (90) days prior written notice from the issuing financial institution. If the Company receives notice from the issuing financial institution that the letter of credit is being cancelled, the DS Supplier will be required to provide a substitute letter of credit from an alternative bank satisfying the minimum requirements. The receipt of the substitute letter of credit must be effective as of the cancellation date and delivered to the Company thirty (30) days before the cancellation date of the original letter of credit. If the DS Supplier fails to supply a substitute letter of credit as required, then the Company will have the right to draw on the existing letter of credit and to hold the amount as Margin.

If the credit rating of a bank or other financial institution from which a DS Supplier has obtained a letter of credit falls below the levels specified in Article 6 of this Agreement, the DS Supplier shall have two (2) Business Days following written notice by the Company to obtain a suitable letter of credit from another bank or other financial institution that meets those standards, unless such period is extended in writing by the Company. The Company shall have no obligation under this Agreement or otherwise to make or grant such extension.

## **6.10 Maintenance of Creditworthiness**

### **(a) Reporting of Changes.**

The DS Supplier shall promptly notify the Company of any change in its credit rating or financial condition or that of its Guarantor. The DS Supplier or Guarantor shall also furnish evidence of an acceptable credit rating or financial condition upon the request of the Company.

### **(b) Change in Credit Standing.**

The Company will re-evaluate the creditworthiness of a DS Supplier whenever it becomes aware of an adverse change, through the provision of notice by the DS Supplier or otherwise, in the DS Supplier's or Guarantor's credit standing. If the lowest credit rating (whether senior unsecured debt rating or corporate issuer rating) used to determine the DS Supplier's Maximum Credit Limit or its credit limit adversely changes, the Company will require additional security from the DS Supplier in accordance with Sections 6.6 of this Agreement. The additional security must be in a form acceptable to the Company in its sole discretion, as specified in Article 6.9 of this Agreement and must be posted as set forth in Section 6.7 of this Agreement.

## **6.11 Calling on Security**

The Company may call upon the security posted by the DS Supplier if the DS Supplier fails to pay amounts due to the Company pursuant to this Agreement or any other agreement(s) between the Company and the DS Supplier for the provision of DS Supply after all of the following events occur:

- (a) Written Notice of Default is provided to the DS Supplier; and
- (b) Any applicable cure period associated with the written Notice of



Default ends.

The foregoing notwithstanding, the security posted by the DS Supplier shall become due automatically without prior notice or right of cure in the case of any Event of Default arising under subsections (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) of Section 5.1 of this Agreement.

**6.12 Interest on Cash Held by Company**

The Company will pay simple interest calculated at the lower of the Interest Index or six (6) percent per annum on all cash held by the Company pursuant to this Agreement. Each Billing Month, the Company will prepare a statement of interest amounts due to the DS Supplier. The statement will be sent to the DS Supplier within three (3) Business Days after the end of the Billing Month via overnight mail or other expeditious means. The Company shall make interest payments on the first Business Day after the 5<sup>th</sup> day of each calendar month.

**6.13 No Endorsement of DS Supplier**

The Company's determination that a DS Supplier is creditworthy pursuant to the process set forth above, shall not be deemed to constitute an express or implied warranty or guarantee of any kind with respect to the financial or operational qualifications of the DS Supplier. The Company will treat all DS Suppliers in a non-discriminatory manner and shall provide no preference to any DS Supplier.

**6.14 Multiple DS Supply Agreements**

It is the intention of the Company and the DS Supplier that, in the event the DS Supplier is a party to other agreements with the Company for the provision of DS Supply that existed prior to the effective date of this Agreement or is entered into after the effective

date of this Agreement, the Company will calculate the Margin applicable to all such agreements as set forth herein. Each DS Supplier that is a party to such other agreements with the Company for the provision of DS Supply hereby agrees that such other agreements are deemed amended by this Agreement for the purpose of calculating the Margin as described herein.

## **ARTICLE 7: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT**

### **7.1 Load Obligations**

The Company and the DS Supplier acknowledge and agree that (1) the Company shall determine the DS Load, (2) the Company shall allocate the DS Supply obligation using the DS Supplier Responsibility Share, (3) the Company shall provide the DS Supplier's DS Supply obligation to PJM, and (4) the DS Supplier shall be responsible for meeting its DS Supply obligations as a LSE under the PJM Agreements.

### **7.2 Data Transmission**

The procedures for transmitting load obligation data to PJM for DS Supplier's DS Load shall be as set forth by PJM.

### **7.3 Energy Scheduling**

The Company is not obligated to provide any day ahead scheduling services. If the Company chooses to provide such services, the information provided is not guaranteed by the Company.

## **ARTICLE 8: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS**

### **8.1 Energy Settlement By PJM**

The settlement process occurs at PJM to reflect the DS Supplier's actual Energy obligations in a supply/usage reconciliation process. The Energy obligations for each DS Supplier will be determined based on the DS Supplier Responsibility Share of the DS Load. The reconciled total DS Energy obligation will be based on the final total Energy loads for the Customers receiving DS service, including duration adjustments for marginal losses.

Any adjustments for billing and metering errors reported subsequent to the calculation of FMEA will be proportionally allocated by the Company to the DS Suppliers based on the respective DS Supplier Responsibility Share.

### **8.2 Energy Settlement by the Company**

In the event that actual DS Customer consumption data is not available until after the PJM deadline for conducting the final settlement, the Company will conduct the settlement process with the DS Supplier. In the event PJM imposes penalties against the Company as a result of the DS Supplier's Transactions or failure to meet PJM requirements, such penalties shall be passed through by the Company, to the DS Supplier as part of this settlement process. In addition, all other applicable charges from PJM, including any billing adjustments, will be appropriately allocated to the DS Supplier.

## **ARTICLE 9: BILLING AND PAYMENT**

### **9.1 The Company Payment of Obligations to the DS Supplier**

The Company shall pay all amounts due to the DS Supplier hereunder in accordance with the following provisions:

(a) Each Billing Month, the Company will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Fixed Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown on the Transaction Confirmation(s) for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage, if applicable, as shown on the Transaction Confirmation(s) for each hour of the Billing Month.

(b) The Statement will be sent to the DS Supplier within eight (8) Business Days after the end of the Billing Month via overnight mail or other expeditious means.

(c) The Company shall make payment on the first Business Day after the 19<sup>th</sup> day of each calendar month.

(d) To the extent that the FMEA differs from the PMEA, the Company shall pay or charge the DS Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement.

(e) If each Party owes an amount to the other Party pursuant to this Agreement, including any related interest, payments or credits, the Parties may satisfy their respective obligations to each other by netting the aggregate amounts due to one Party against the aggregate amounts due to the other Party, with the Party, if any, owing the greater aggregate amount paying the other Party the difference between the amounts owed.

(f) Payments shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(g) The Company shall make payments of funds payable to the DS Supplier by electronic transfer to a bank designated by the DS Supplier.

(h) If a good faith dispute arises between the Company and the DS Supplier regarding a Statement, the disputing Party shall be obligated to pay only the undisputed portion of the Statement, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within one hundred twenty (120) calendar days from the date of the Statement in dispute. Statement disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a Statement dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a Statement dispute was received by the non-disputing Party.

(i) If payment is made to the DS Supplier after the due date shown on the Statement, a late fee will be added to the unpaid balance until the entire Statement is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

## **9.2 Billing for DS Supplier's Obligations to Other Parties**

The Company shall have no responsibility for billing between the DS Supplier and PJM; the DS Supplier and any Energy or Capacity source; or the DS Supplier and any other third party. The Company will be solely responsible for billing DS Customers for Default Service.

## **9.3 The DS Supplier Payment of Obligations to the Company**

The DS Supplier shall pay all Charges it incurs hereunder in accordance with the following provisions:

(a) Each Billing Month, the Company shall submit an invoice to the DS Supplier for all Charges owed by the DS Supplier under this Agreement. The DS Supplier shall make payment for Charges shown on the invoice. The due date will be on the first Business Day after the 19<sup>th</sup> day of each calendar month. The invoice will be sent to the DS Supplier within eight (8) Business Days after the end of the Billing Month via overnight mail or other expeditious means.

(b) Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the errors become known within one (1) year of the termination of this Agreement.

(c) The DS Supplier shall make payments of funds payable to the Company by electronic transfer to a bank designated by the Company.

(d) If a good faith dispute arises between the Company and the DS Supplier regarding an invoice, the disputing Party shall pay only the undisputed portion of the invoice, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within one hundred twenty (120) calendar days

from the due date of the invoice in dispute. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 11 of this Agreement. Upon resolution of a billing dispute, any payments made to either Party will include simple interest on the payment at the lower of the Interest Index or six (6) percent per annum payable from the date that notice of a bill dispute was received by the non-disputing Party.

(e) If payment is made to the Company after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee shall be the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) or (b) the maximum rate permitted by applicable law.

## **ARTICLE 10: SYSTEM OPERATION**

The Parties shall adhere to any applicable operational requirements of PJM necessary to protect the integrity of the transmission system within the PJM Control Area and the transmission systems of interconnected control areas, and shall satisfy any and all PJM, RFC and NERC criteria, when applicable. The DS Supplier shall also adhere to any applicable operational requirements of the Company necessary to protect the integrity of the Company’s local distribution system.

### **10.1 Disconnection and Curtailment By the Company**

The Company shall have the right, without incurring any liability to the DS Suppliers, to disconnect (or otherwise curtail, interrupt or reduce deliveries from) the DS Suppliers or to disconnect (or otherwise curtail, interrupt or reduce deliveries to) any

Customer whenever the Company determines in the exercise of its good faith discretion, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; or due to any other reason affecting the safe and reliable operation of the Company's or a Customer's facilities, including, without limitation, an Emergency, forced outage or potential overloading of the Company's transmission and/or distribution circuits, potential damage to any Customer's facilities or any risk of injury to persons or property.

### **10.2 Inadvertent Loss of Service to DS Customers**

The Parties agree and acknowledge that service to DS Customers may be inadvertently lost due to storms, weather, accidents, breakage of equipment or other events beyond the reasonable control of the Company affecting the transmission and distribution system of the Company. Neither Party will have any liability to the other Party for the occurrence of such events except for the Company's obligation to pursue steps for the resumption of the disrupted service as set forth in Section 10.3 below. In no event will an inadvertent loss of service affect a Party's obligation to make any payments then due or becoming due with respect to performance rendered prior to such inadvertent loss of service.

### **10.3 Good Faith Efforts**

The Company shall use good faith efforts to: (a) minimize any curtailment, interruption or reduction in service to DS Customers to the extent reasonably practicable under the circumstances; (b) provide the DS Supplier with prior notification of any curtailment, interruption or reduction in service to DS Customers, to the extent reasonably



practicable; and (c) resume service to DS Customers as promptly as reasonably practicable.

#### **10.4 PJM Requirements**

The DS Supplier acknowledges and agrees that, as a member of PJM, the Company is bound by all PJM operating instructions, policies and procedures as are currently set forth in the PJM Operating Manual, which are available through the Internet on the PJM Home Page (<http://www.pjm.com>), as may be revised from time to time, which are needed to maintain the integrity of the PJM system. The DS Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Emergency Operations Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer load by either manual or automatic means.

#### **10.5 Compliance with Governmental Directives**

The DS Supplier also acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect DS Customer load. The DS Supplier agrees to cooperate with the Company in order to comply with said directives.

### **ARTICLE 11: DISPUTE RESOLUTION**

#### **11.1 Informal Resolution of Disputes**

Before pursuing resolution of any dispute arising out of this Agreement (other than an Event of Default under Article 5.1(i)-(ix) , (xii), or (xvi)), the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable

commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Article 11.1 (Informal Resolution of Disputes), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Index from the original due date through the date of payment.

### **11.2 Recourse to Agencies or Courts of Competent Jurisdiction**

After the requirements of Article 11.1 (Informal Dispute Resolution) have been satisfied, all unresolved disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act (“FPA”), with the PaPUC under relevant provisions of the Applicable Legal Authorities, with a Pennsylvania State court or a Federal court of competent jurisdiction and within reasonably close proximity to the Company. The Party’s agreement hereunder is without prejudice to any Party’s right to contest the jurisdiction of the agency or court to which a complaint is brought.

The Parties hereby acknowledge and agree that both Parties have negotiated and entered into this Agreement freely and in good faith and that the terms of this Agreement have not been affected in any way, either directly or indirectly, by (A) any fraud, duress, unfairness, or any inequity in the relative bargaining power of the Parties or (B) any manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

To the extent permitted by law and absent agreement to the contrary, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives its rights (i) to argue before any governmental authority that any review, modification, or rescission of this Agreement should be considered under any standard of review other than the “public interest” standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), affirmed by *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the “Mobile-Sierra Doctrine”), and (ii) to argue before any governmental authority that any terms of this Agreement should be modified or rescinded based on (A) any claim of fraud, duress, unfairness, bad faith, or inequity in the relative bargaining power of the Parties or (B) any claim of market manipulation, unlawful activity, disruption, anomaly, dysfunction, or other adverse market conditions of any type or description.

## **ARTICLE 12: REGULATORY AUTHORIZATIONS AND JURISDICTION**

### **12.1 Compliance with Applicable Legal Authorities**

The Company and the DS Supplier are subject to, and shall comply with, all existing or future applicable Federal, State and local laws, all existing or future duly-promulgated orders or other duly-authorized actions of PJM or of Applicable Legal Authorities.

### **12.2 FERC Jurisdictional Matters**

The inclusion herein of descriptions of procedures or processes utilized by PJM or otherwise subject to the jurisdiction of FERC is intended solely for informational purposes.

If anything stated herein is found by the FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA or if any existing procedures or processes utilized by PJM are duly modified, the applicable FERC rule, regulation, order, determination or modification shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company and/or the DS Supplier, if applicable, shall use reasonable commercial efforts to secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

### **12.3 Energy Efficiency, Conservation, and Retail Market Programs**

DS Supplier acknowledges that DS Customers may participate in energy efficiency and conservation programs offered by the Company (required by Applicable Legal Authorities or otherwise offered by the Company whether voluntarily or not), by PJM, or by other third parties and, for the avoidance of doubt, any programs offered or conducted by the Company or other entities relating to or arising from the PaPUC's Investigation of Pennsylvania's Retail Electricity Market, PaPUC Docket No. I-2011-2237952 (including legislation enacted to address the Commission's Final Order in Docket No. I-2011-2237952), and that such participation may reduce or change the amount of DS Supply that DS Supplier is required to provide and the amount of monies it may receive under this Agreement. The Company shall have no obligation whatsoever to DS Supplier with respect to the effect, if any, of such programs. DS Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

## **ARTICLE 13: LIMITATION OF REMEDIES, LIABILITY AND DAMAGES**

### **13.1 Limitations on Liability**

Except as set forth in this Agreement, there is no warranty of merchantability or fitness for a particular purpose, and any and all implied warranties are disclaimed. The Parties confirm that the express remedies and measures of Damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of Damages is provided, such express remedy or measure of Damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision and all other remedies or Damages at law or in equity are waived. If no remedy or measure of Damages is expressly provided herein, the obligor's liability shall be limited to direct actual Damages only, such direct actual Damages shall be the sole and exclusive remedy and all other remedies or Damages at law or in equity are waived. Unless expressly herein provided, neither Party shall be liable for consequential, incidental, punitive, exemplary or indirect Damages, lost profits or other business interruption Damages, by statute, in tort or contract, under any indemnity provision or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of Damages be without regard to the cause or causes related thereto, including the negligence or any Party, whether such negligence by sole, joint or concurrent, or active or passive. To the extent any Damages required to be paid hereunder are liquidated, the Parties acknowledge that the Damages are difficult or impossible to determine, or otherwise obtaining an adequate remedy is inconvenient and the Damages calculated hereunder constitute a reasonable approximation of the harm or loss.

### **13.2 Risk of Loss**

Solely for purposes of determining risk of loss and for determining the indemnity obligations under Article 14 of this Agreement, the Company shall be deemed to have custody and control of the electric Energy delivered by the DS Supplier upon receipt thereof into the Company's distribution system and until delivery thereof at the retail electric meter of the Customer; and the DS Supplier shall be deemed to have custody and control of the DS Supply at all times prior to receipt thereof by the Company. The Party deemed to have custody and control of DS Supply shall be responsible for all loss or damage to property or injury or death to persons arising in connection with such DS Supply while in its custody and control and shall indemnify the other Parties with respect to same as set forth in Article 14 of this Agreement.

## **ARTICLE 14: INDEMNIFICATION**

### **14.1 Indemnification**

(a) Should the Company become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by or occur in connection with an act or omission of the DS Supplier with respect to an obligation arising under or in connection with this Agreement, or for which the DS Supplier has otherwise assumed liability under the terms of this Agreement, the DS Supplier shall defend (at the Company's option), indemnify and hold harmless the Company, its shareholders, board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were

caused wholly or in part by the gross negligence or willful misconduct of the Company. The Company may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(b) Should the DS Supplier (the “Indemnified DS Supplier”) become the defendant in, or obligor for, any third party claims and/or liabilities for losses, penalties, expenses, damage to property, injury to or death of any person including a Party’s employees or any third parties, that were caused by or occur in connection with an act or omission of the Company with respect to an obligation arising under or in connection with this Agreement, or for which the Company has otherwise assumed liability under the terms of this Agreement, the Company shall defend (at the option of the Indemnified DS Supplier), indemnify and hold harmless the Indemnified DS Supplier, its shareholders, board members, directors, officers and employees, from and against any and all such third party claims and/or liabilities, except to the extent that a court of competent jurisdiction determines that the losses, penalties, expenses or damages were caused wholly or in part by the gross negligence or willful misconduct of the Indemnified DS Supplier. The Indemnified DS Supplier may, at its own expense, retain counsel and participate in the defense of any such suit or action.

(c) If either Party intends to seek indemnification under Article 14.1(a) or 14.1(b), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party’s actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that

the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld, conditioned or delayed.

#### **14.2 Survives Agreement**

The obligation of a Party to defend, indemnify, and hold harmless another Party under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

### **ARTICLE 15: FORCE MAJEURE**

#### **15.1 Force Majeure**

Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfills the requirements set forth in Article 15.2 (Notification).



## **15.2 Notification**

A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

## **ARTICLE 16: MISCELLANEOUS PROVISIONS**

### **16.1 Notices**

Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail or courier service. Notice may also be provided via e-mail or facsimile transmission (with the original transmitted by any of the other delivery methods specified in the previous sentence) addressed per the notification information for the DS Supplier and Company as set forth in Exhibit 2 hereto.

Such notices, demands or requests shall also be provided to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.

### **16.2 No Prejudice of Rights**

The failure of a Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or

condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

### **16.3 Assignment**

Parties shall not assign any of their rights or obligations under this Agreement without obtaining the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. The Company agrees that it shall grant its consent to a proposed assignment by the DS Supplier if the proposed assignee meets all of the Company's creditworthiness requirements then in effect under this Agreement and any applicable load cap restrictions. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained. Any assignment in violation of this Section 16.3 shall be void; provided, however, the Company may assign any or all of its rights and obligations under this Agreement notwithstanding anything contained herein to the contrary, without the DS Supplier's consent, to any entity succeeding to all or substantially all of the assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof and all necessary regulatory approvals are obtained. The DS Supplier may, with prior written notice to the Company but without obtaining the approval of the Company, assign the accounts, revenues or proceeds under this Agreement to a third party. The Company agrees that, following receipt of such notice of the assignment of accounts, revenues or proceeds and such other documentation that the Company may reasonably request, the Company will pay amounts becoming due to the assigning DS Supplier under this Agreement directly to the designated assignee; provided, however, that nothing herein shall enlarge or expand the

rights of such designated assignee beyond the rights granted to the DS Supplier and the right of such designated assignee to receive payments shall be subject to all defenses, offsets and claims of the Company arising under this Agreement.

#### **16.4 Governing Law and Venue**

To the extent not subject to the jurisdiction of the FERC, questions including those concerning the formation, validity, interpretation, execution, amendment, termination and construction of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of law. Except for matters jurisdictional to FERC, the PUC or the appellate courts having jurisdiction over the PUC or FERC matters, all disputes hereunder shall be resolved in the Pennsylvania State court or Federal court of competent jurisdiction and within reasonably close proximity to the Company. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

#### **16.5 Regulatory Approvals**

DS Supplier agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the Agreement and/or Transaction Confirmations hereunder. The commencement of the Delivery Period and the obligations hereto are subject to (i) the receipt or waiver by Company of all Company required regulatory approvals, (ii) the receipt or waiver by DS Supplier of all DS Supplier required regulatory approvals, and (iii) Pennsylvania PUC approval.

#### **16.6 Headings**

The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor

should they be used to aid in any manner in the construction of this Agreement.

### **16.7 Third Party Beneficiaries**

This Agreement is intended solely for the benefit of the Parties hereto and nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

### **16.8 General Miscellaneous Provisions**

(a) This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership obligation or liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

(b) Cancellation, expiration or Early Termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including warranties, remedies, promises of indemnity and confidentiality.

(c) Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the agreement of the Parties; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.

(d) Each of the Parties acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This Agreement is intended by the Parties as a final expression of their agreement. The Parties further agree that this

Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the Parties relating thereto. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement or any Transaction.

#### **16.9 Taxes**

As between the Parties: (i) The DS Supplier is responsible for the payment of all taxes imposed by all present and future Federal, state, municipal or other taxes imposed by any taxing authority on the wholesale sales of DS Supply under this Agreement; and (ii) The Company is responsible for the payment of all taxes imposed by all present and future Federal, state, municipal or other taxes imposed by any taxing authority on retail sales of DS Supply under this Agreement. Should the DS Supplier be required to remit any Pennsylvania State Sales and Use Taxes directly to the applicable taxing authority, other than taxes previously collected by the DS Supplier on behalf of the Company, the Company will defend and indemnify the DS Supplier for such Sales and Use Taxes and will pay to the DS Supplier all such tax amounts upon demand. If any Transaction is exempt from the payment of any such taxes, the affected DS Supplier will, if requested, provide the Company with valid tax exemption certificates. Should the Company be required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the DS Supplier, the DS Supplier will defend and

indemnify the Company and will pay to the Company all such tax amounts upon demand.

#### **16.10 Audit**

Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Article 9 (Billing) and 9.1 (i) (Interest on Unpaid Balances) of this Agreement.

#### **16.11 Rules of Interpretation**

The following principles shall be observed in the interpretation and construction of this Agreement:

- (a) Unless otherwise stated, the terms “include” and “including” when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;
- (b) All titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;
- (c) References to the singular include the plural and vice versa;
- (d) References to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;

- (e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing; and
- (f) If any payment due under this Agreement would be, by operation of the terms and conditions of any provision hereof, due and payable on a day other than a Business Day, such payment shall be made on the next following Business Day.

#### **16.12 Confidentiality**

- (a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless:
  - (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the receiving Party on a non-confidential basis; (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation or (v) such disclosure is made to PJM or Pa PUC and is necessary in order for the Transactions contemplated by this Agreement to be consummated or to otherwise comply with the provisions of this Agreement.
- (b) Notwithstanding any other provision of this Section 16.12, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality

- provisions of this Section 16.12, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.
- (c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.
- (d) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.12. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party breaches or threatens to breach its obligations under this Article 16.12, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

### **16.13 Federal Acquisition Regulation**

If any of the following clauses prescribed by the Federal Acquisition Regulation ("FAR"), 48 Code of Federal Regulations Chapter 1, should be deemed to apply to this Agreement, the DS Supplier shall comply with the requirements of such clause(s), and shall include the terms or substance of such clause(s) in its subcontracts, as and to the extent required by the FAR:

- 1) Clean Air and Water: § 52.223-2;



- 2) Contract Work Hours and Safety Standards Act-Overtime Compensation:  
§ 52.222-4;
- 3) Equal Opportunity: § 52.222-26;
- 4) Affirmative Action for and Employment Reports on Special Disabled and Vietnam Era Veterans: § 52.222-35 and § 52.222-37;
- 5) Affirmative Action for Handicapped Workers: § 52.222-36;
- 6) Utilization of Small Business Concerns and Small Disadvantaged Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan: § 52.219-8 and § 52-219-9.

In case of a conflict between the provisions of the FAR and the balance of this Agreement, the requirements of the FAR shall prevail.

#### **16.14 Binding Terms**

This Agreement and the rates, terms and conditions herein shall remain in effect for the entire term hereof and each Party agrees not to seek any change to such rates, terms and conditions pursuant to the FPA, if the FPA is deemed to have jurisdiction over this Agreement, including on the grounds that they are not just and reasonable.

#### **16.15 Amendment**

This Agreement, including the appendices hereto, cannot be amended without the written agreement of all Parties prior to such amendment becoming effective. Except as provided in Appendix C and the Transaction Confirmation(s), the rates, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to

this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), affirmed by *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington, et al.*, 554 U.S. 527 (2008) (the “Mobile-Sierra Doctrine”).

#### **16.16 Counterparts**

This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument.

#### **16.17 Successors**

This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

**[Applicable EDC]**

By: \_\_\_\_\_

By: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

ATTEST:

**DS Supplier**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX A- MAXIMUM UNSECURED CREDIT

Credit Rating of the DS Supplier			Maximum Credit Limit (calculated as the lesser of the percentage of TNW or the Credit Limit Cap below)	
S&P	Moody's	Fitch	Percentage of TNW	Credit Limit Cap
A- and above	A3 and above	A- and above	16%	\$50MM
BBB +	Baa1	BBB +	16%	\$50MM
BBB	Baa2	BBB	10%	\$35MM
BBB-	Baa3	BBB-	8%	\$20MM
BB+	Ba1	BB+	4%	\$10MM
BB	Ba2	BB	3%	\$5MM
BB-	Ba3	BB-	2%	\$2MM
Below BB-	Below Ba3	Below BB-	0%	\$0MM

### Credit Rating Determination Methodology

The DS Supplier or its Guarantor must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating) equal to the Minimum Rating. If the DS Supplier or its Guarantor is rated by only two rating agencies, and the ratings are split, the lower rating will be used. If the DS Supplier or its Guarantor is rated by three rating agencies, and the ratings are split, the lower of the two highest ratings will be used; provided, however, that in the event that the two highest ratings are common, such common rating will be used. The maximum level of the credit limit to cover the Total Exposure Amount will be determined based on the above table and will be aggregated – meaning, this is the maximum credit limit for all the Companies combined.

**Minimum Rating** – The lowest credit rating for a DS Supplier, as set forth in this Appendix A, that can obtain unsecured credit.

**Independent Credit Requirement per Tranche (ICRT)**

**Schedule for ICRT - FEPA DSPVI**

\* ICRT required for both Residential and Commercial tranches (not required for Industrial)

\* ICRT **not** required for 6-month tranches

\* ICRT netted with prior ICRT requirements

Month	24-Month Product (\$/tranche)	12-Month Product (\$/tranche)
Month 1	1,500,000	1,500,000
Month 2	1,500,000	1,500,000
Month 3	1,500,000	1,200,000
Month 4	1,500,000	1,200,000
Month 5	1,500,000	1,000,000
Month 6	1,500,000	1,000,000
Month 7	1,200,000	800,000
Month 8	1,200,000	800,000
Month 9	1,200,000	600,000
Month 10	1,200,000	600,000
Month 11	1,000,000	400,000
Month 12	1,000,000	400,000
Month 13	1,000,000	
Month 14	1,000,000	
Month 15	800,000	
Month 16	800,000	
Month 17	800,000	
Month 18	800,000	
Month 19	600,000	
Month 20	600,000	
Month 21	600,000	
Month 22	400,000	
Month 23	400,000	
Month 24	400,000	

## APPENDIX B – MTM EXPOSURE AMOUNT CALCULATION INFORMATION

Table 1 contains the initial marks<sup>1</sup> for each month of the DS auction period. Monthly marks (example only,) are provided for a twelve month period. For the months, two-month blocks<sup>2</sup> or quarterly blocks<sup>3</sup> where broker quotes are available, broker quotes will be used for those months. For all the remaining months the EDCs will be using a proprietary method that reflects forward market conditions. The initial mark for each Billing Month is the initial mark that was calculated on the date that the DS auction closes and will not change over the life of the contract.

After the close of the DS auction On-Peak Energy Forward and Off-Peak Energy Forward prices will change. In addition, the on-peak and off-peak loads used to calculate the MtM Exposure Amount will be adjusted monthly to reflect the most current changes. On-Peak and Off-Peak Energy Forward prices for the months, two-month blocks or quarterly blocks where at least two broker quotes are available will be equal to the broker quotes. In case quotes for a component of a block and for the block are both available, the EDCs reserve the right not to use both the component of a block and the block if they are inconsistent with each other. However, when this inconsistency occurs the EDC must use either the component or the block. On-Peak and Off-Peak Energy Forward prices for the months, two-month blocks or quarterly blocks where broker quotes are unavailable will be equal to the last available broker quotes or in case they have not been quoted on the broker sheets since the DS auction closed, they will be equal to the marks set at the close of the DS auction.

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<sup>1</sup> Initial marks represent Market Price Hub on-peak prices.

<sup>2</sup> For two-month and quarterly blocks for which the average for the block and a component of the block are both quoted, the component will be equal to its quoted price and the other months in the block will be constructed so that the weighted average (weighted by on-peak hours in each month) of the block equals the quote for the block; e.g., Q4 2013 = \$50 and Oct 2013 = \$40; therefore, Oct 2013 = \$40 and Nov-Dec 2013 = \$55  $(\$50 \cdot (336 + 336 + 368) - \$40 \cdot 336) / (336 + 368) = \$54.77$ . If only the block is quoted, that price will be used for all relevant months; e.g., Jan/Feb 2014 = \$35, then Jan 2014 = \$35 and Feb 2014 = \$35.

## MtM Calculation Example

### **Parameters**

On the closing day of the auction, the following parameters are set

1. The expected monthly On-Peak Load per tranche for each EDC.
2. The expected monthly Off-Peak Load per tranche for each EDC.
3. The monthly on-peak forward prices (to be used as the inception price “initial mark” for each month of the supply period).
4. The monthly off-peak forward prices (to be used as the inception price “initial mark” for each month of the supply period)

Indicative on-peak and off-peak loads per tranche for each EDC will be made available 14 days prior to the auction.

All Energy Prices are based on a Market Price Hub that the Company will specify as follows: PJM Western Hub



**Table 1 - Data set on the Closing Day of the Auction (MWh/tranche)\***

	On-Peak Volume <sup>3</sup>	Off-Peak Volume <sup>4</sup>	Initial Mark On-Peak Price <sup>5</sup>	Initial Mark Off-Peak Price <sup>6</sup>
Month 1				
Month 2				
Month 3				
Month 4				
Month 5				
Month 6				
Month 7				
Month 7				
Month 8				
Month 9				
Month 10				
Month 11				
Month 12				

\* Table 1 can be found at the FirstEnergy Pennsylvania Default Service Program website at <http://www.fepaauction.com/Documents/MarkToMarketCalculations.aspx>.

**EXAMPLE**

**Table 2 – Post Auction Close MTM Calculation (MWh/tranche)\*\***

	On-Peak Load per Tranche (MWh)	Off-Peak Load per Tranche (MWh)	Initial Mark On-Peak Price	Initial Mark Off-Peak Price	On-Peak Energy Forward Price <sup>7</sup>	Off-Peak Energy Forward Price <sup>8</sup>	MtM <sup>9</sup>
Month 1							
Month 2							
Month 3							
Month 4							
Month 5							
Month 6							
Month 7							
Month 8							
Month 9							
Month 10							
Month 11							
Month 12							
	<b>Total</b>						

\*\* Table 2 can be found at the FirstEnergy Pennsylvania Default Service Program website at <http://www.fepaauction.com/Documents/MarkToMarketCalculations.aspx>.

<sup>3</sup> On-peak and off-peak volumes will be adjusted monthly.

<sup>4</sup> On-peak and off-peak volumes will be adjusted monthly.

<sup>5</sup> Initial Mark On-peak price set at day auction closes. Remains constant through term of agreement

<sup>6</sup> Initial Mark Off-peak price set at day auction closes. Remains constant through term of agreement.

<sup>7</sup> On-peak Energy Forward as available and quoted by referenced market makers.

<sup>8</sup> Off-peak Energy Forward as available and quoted by referenced market makers.

<sup>9</sup> MTM = (On Peak Load \* (On Peak Energy Forward Price - Initial Mark On Peak Price) + (Off Peak Load \* (Off Peak Energy Price- Initial Mark Off Peak Price)

## **APPENDIX C - DS SUPPLY SPECIFICATIONS**

The following DS Supply specifications will be specified in Transaction Confirmations to this Agreement.

### **Product:**

**DS Supply:** All necessary Energy, Capacity, AECs for AEPS Act compliance, Ancillary Services, transmission services -including Network Integration Transmission Service, all transmission and distribution losses, and congestion and imbalance costs associated with the provision of such services, as well as such other services or products that the DS Supplier may be required, by PJM or any governmental body having jurisdiction, to provide in order to meet the DS Supplier Responsibility Share for serving DS Load.

**Appendix D** - describes Company and DS Supplier responsibilities for PJM Billing Statement Line Item Credits and Charges associated with the Product. In addition, any unaccounted for energy and historical tie line, generation, and retail customer meter charges not set forth in Appendix D shall be the responsibility of the Company through each EDC's respective non-bypassable Default Service Support Rider.

**Appendix E** - further describes DS Supplier responsibilities for compliance with the AEPS Act in the product specification.

**DS Customer Group:**

Each Transaction Confirmation shall be associated with DS Supply to one of the following DS Customer categories as defined in the DS Tariff:

**Residential** – **Met-Ed and Penelec** (Rate RS, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate)

**Penn Power** (Rate Schedules RS; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services)

**West Penn** (Rate Schedule 10 and Rate Schedule 20 special provision for Volunteer Fire Company, Non-Profit Ambulance Service, Non-Profit Rescue Squad and Non-Profit Senior Citizen Center)

**Commercial** – **Met-Ed** (Rate GS-Small, Rate GS-Medium (PTC), Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Streetlighting Service, and Outdoor Lighting Service)

**Penelec** (Rate GS-Small, Rate GS-Medium (PTC), Rate H, Borderline Service, High Pressure Sodium Vapor Street Lighting Service, Municipal Street Lighting Service, LED Streetlighting Service, and Outdoor Lighting Service)

**Penn Power** (Rate Schedules GS (excluding GS Special Rule GSDS), PNP, GM (PTC), PLS, SV, SVD, and LED)

**West Penn** (Rate Schedules 20, 30 (PTC), 51, 52, 53, 54, 55, 56, 57, 58, 71 and 72)

**Industrial** – **Met-Ed** (Rate Schedules GS-Medium (HP), GS-Large, GP, and TP)

**Penelec** (Rate Schedules GS-Medium (HP), GS-Large, GP, and LP)

**Penn Power** (Rate Schedules GM (HP), GS-Large, GP, GT, or GS if such GS Customers also are under Special Rule GSDS)

**West Penn** (Rate Schedules 30 (HP), 35, 40, 44, 46 and Tariff No. 37 – Pennsylvania State University)

**Delivery Point:** [METED\_RESID\_AGG, PENELEC\_RESID\_AGG, PENNPOWER\_RESID\_AGG, APS\_RESID\_AGG as applicable for the appropriate EDC]

**Delivery Period:** The term of the Company's Default Service Plan is from June 1, 2023 to May 31, 2027. The applicable Delivery Period for awarded contracts will be as identified on each Transaction Confirmation within the Default Service Plan date range.

**Number of Tranches and Percentage for Each Tranche:**

Residential – For **Metropolitan Edison Company** there are [TBD] total Residential tranches available. Each tranche represents [TBD]% of the Residential DS Load. For **Pennsylvania Electric Company** there are [TBD] total Residential tranches available. Each tranche represents [TBD]% of the Residential DS Load. For **Pennsylvania Power Company** there are [TBD] total Residential tranches available. Each tranche represents [TBD]% of the Residential DS Load. For **West Penn Power Company** there are [TBD] total Residential tranches available. Each tranche represents [TBD]% of the Residential DS Load. Tranches won for the applicable Delivery Period will be specified on the Transaction Confirmation.

Commercial – For **Metropolitan Edison Company** there are [TBD] total Commercial tranches available. Each tranche represents approximately [TBD]% of the Commercial DS Load. For **Pennsylvania Electric Company** there are [TBD] total Commercial tranches available. Each tranche represents approximately [TBD]% of the Commercial DS Load. For **Pennsylvania Power Company** there are [TBD] total Commercial tranches available. Each tranche represents approximately [TBD]% of the Commercial DS Load. For **West Penn Power Company** there are [TBD] total Commercial tranches available. Each tranche represents approximately [TBD]% of the Commercial DS Load. Tranches won for the applicable Delivery Period will be specified on the Transaction Confirmation.

Industrial – For **Metropolitan Edison Company** there are [TBD] total Industrial tranches available. Each tranche represents [TBD]% of the Industrial DS Load. For **Pennsylvania Electric Company** there are [TBD] total Industrial tranches available. Each tranche represents [TBD]% of the Industrial DS Load. For **Pennsylvania Power Company** there are [TBD] total Industrial tranches available. Each tranche represents [TBD]% of the Industrial DS Load. For **West Penn Power Company** there are [TBD] total Industrial tranches available. Each tranche represents [TBD]% of the Industrial DS Load. Tranches won for the applicable Delivery Period will be specified on the Transaction Confirmation.

**DS Supplier Responsibility Share:**

Fixed percentage share of DS Load for DS Customer Group associated with Transaction Confirmation. Typically, number of tranches won x Tranches Percentage for the DS Customer Group.

**DS Fixed Percentage/DS Variable Percentage:**

The percentage of DS Supply provided at a fixed price and the percentage of DS Supply provided at a variable price. For each Transaction Confirmation, DS Fixed Percentage + DS Variable Percentage specified shall add to 100%.

**APPENDIX D – RESPONSIBILITIES FOR PJM BILLING LINE ITEMS AS DEFINED IN APPLICABLE PJM AGREEMENT OR MANUAL**

ID #	PJM Billing Statement Line Items	Responsible Party	
		Buyer	DS Supplier
<b>ID#</b>	<b>CHARGES</b>		
1000	Network Integration Transmission Service		X
1102	Network Integration Transmission Service (exempt)		X
1104	Network Integration Transmission Service Offset		X
1108	Transmission Enhancement	X	
1110	Direct Assignment Facilities		X
1115	Transmission Enhancement Settlement (EL05-121-009)	X	
1120	Other Supporting Facilities		X
1130	Firm Point-to-Point Transmission Service		X
1133	Firm Point-to-Point Transmission Service Resale Charge		X
1140	Non-Firm Point-to-Point Transmission Service		X
1143	Non-Firm Point-to-Point Transmission Service Resale Charge		X
1200	Day-ahead Spot Market Energy		X
1205	Balancing Spot Market Energy		X
1210	Day-ahead Transmission Congestion		X
1215	Balancing Transmission Congestion		X
1218	Planning Period Congestion Uplift		X
1220	Day-ahead Transmission Losses		X

1225	Balancing Transmission Losses		X
1230	Inadvertent Interchange		X
1240	Day-ahead Economic Load Response		X
1241	Real-time Economic Load Response		X
1245	Emergency Load Response		X
1250	Meter Error Correction	X	
1260	Emergency Energy		X
1301	PJM Scheduling, System Control and Dispatch Service – Control Area Administration		X
1302	PJM Scheduling, System Control and Dispatch Service – FTR Administration		X
1303	PJM Scheduling, System Control and Dispatch Service –Market Support		X
1304	PJM Scheduling, System Control and Dispatch Service – Regulation Market Administration		X
1305	PJM Scheduling, System Control and Dispatch Service – Capacity Resource/Obligation Mgmt.		X
1306	PJM Scheduling, System Control and Dispatch Service – Advanced Second Control Center		X
1308	PJM Scheduling, System Control and Dispatch Service Refund – Control Area Administration		X
1309	PJM Scheduling, System Control and Dispatch Service Refund – FTR Administration		X
1310	PJM Scheduling, System Control and Dispatch Service Refund – Market Support		X
1311	PJM Scheduling, System Control and Dispatch Service Refund –Regulation Market Administration		X
1312	PJM Scheduling, System Control and Dispatch Service Refund – Capacity Resource/Obligation Mgmt.		X
1314	Market Monitoring Unit (MMU) Funding		X



1315	FERC Annual Charge Recovery		X
1316	Organization of PJM States, Inc. (OPSI) Funding		X
1317	North American Electric Reliability Corporation (NERC)		X
1318	Reliability First Corporation (RFC)		X
1320	Transmission Owner Scheduling, System Control and Dispatch Service		X
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service		X
1340	Regulation and Frequency Response Service		X
1350	Energy Imbalance Service		X
1360	Synchronized Reserve		X
1365	Day-ahead Scheduling Reserve		X
1370	Day-ahead Operating Reserve		X
1371	Day-ahead Operating Reserve for Load Response		X
1375	Balancing Operating Reserve		X
1376	Balancing Operating Reserve for Load Response		X
1377	Synchronous Condensing		X
1378	Reactive Services		X
1380	Black Start Service		X
1400	Load Reconciliation for Spot Market Energy		X
1410	Load Reconciliation for Transmission Congestion		X
1420	Load Reconciliation for Transmission Losses		X
1430	Load Reconciliation for Inadvertent Interchange		X
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		X

1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		X
1445	Load Reconciliation for FERC Annual Charge Recovery		X
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		X
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)		X
1448	Load Reconciliation for Reliability First Corporation (RFC)		X
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		X
1460	Load Reconciliation for Regulation and Frequency Response Service		X
1470	Load Reconciliation for Synchronized Reserve		X
1475	DASR Load Reconciliation		X
1478	Load Reconciliation for Operating Reserve		X
1480	Load Reconciliation for Synchronous Condensing		X
1490	Load Reconciliation for Reactive Services		X
1500	Financial Transmission Rights Auction		X
1600	RPM Auction		X
1610	Locational Reliability		X
1650	Non-Unit Specific Capacity Transaction		X
1660	Demand Resource and ILR Compliance Penalty		X
1661	Capacity Resource Deficiency		X
1662	Generation Resource Rating Test Failure		X
1663	Qualifying Transmission Upgrade Compliance Penalty		X
1664	Peak Season Maintenance Compliance Penalty		X
1665	Peak-Hour Period Availability		X

1710	PJM/MISO Seams Elimination Cost Assignment		X
1720	RTO Start-up Cost Recovery		X
1730	Expansion Cost Recovery	X	
1900	Unscheduled Transmission Service		X
1910	Ramapo Phase Angle Regulators		X
1920	Station Power		X
1930	Generation Deactivation and RMR Generating Unit Declarations Before PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. P-2013-2391368 <i>et al.</i>		X
1930	Generation Deactivation and RMR Generating Unit Declarations After PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. P-2013-2391368 <i>et al.</i>	X	
1950	Virginia Retail Administrative Fee		X
1980	Miscellaneous Bilateral		X
1995	PJM Annual Membership Fee		X
<b>ID#</b>	<b>CREDITS</b>		
2100	Network Integration Transmission Service		X
2102	Network Integration Transmission Service (exempt)		X
2104	Network Integration Transmission Service Offset		X
2106	Non-Zone Network Integration Transmission Service		X
2108	Transmission Enhancement	X	
2110	Direct Assignment Facilities		X
2115	Transmission Enhancement Settlement (EL05-121-009)	X	
2120	Other Supporting Facilities		X

2130	Firm Point-to-Point Transmission Service		X
2132	Internal Firm Point-to-Point Transmission Service		X
2133	Firm Point-to-Point Transmission Service Resale Credit		X
2140	Non-Firm Point-to-Point Transmission Service		X
2142	Internal Non-Firm Point-to-Point Transmission Service		X
2143	Non-Firm Point-to-Point Transmission Service Resale Credit		X
2210	Transmission Congestion		X
2211	Day Ahead Transmission Credit (Formerly BLI 2210)		X
2215	Balancing Transmission Congestion Credit		X
2217	Planning Period Excess Congestion		X
2218	Planning Period Congestion Uplift		X
2220	Transmission Losses		X
2240	Day-ahead Economic Load Response		X
2241	Real-time Economic Load Response		X
2245	Emergency Load Response		X
2260	Emergency Energy		X
2320	Transmission Owner Scheduling, System Control and Dispatch Service		X
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service		X
2340	Regulation and Frequency Response Service		X
2350	Energy Imbalance Service		X
2360	Synchronized Reserve		X
2365	Day-ahead Scheduling Reserve		X
2370	Day-ahead Operating Reserve		X

2371	Day-ahead Operating Reserve for Load Response		X
2375	Balancing Operating Reserve		X
2376	Balancing Operating Reserve for Load Response		X
2377	Synchronous Condensing		X
2378	Reactive Services		X
2380	Black Start Service		X
2415	Balancing Transmission Congestion Load Reconciliation Credit		X
2420	Load Reconciliation for Transmission Losses		X
2500	Financial Transmission Rights Auction		X
2510	Auction Revenue Rights		X
2600	RPM Auction		X
2620	Interruptible Load for Reliability		X
2630	Capacity Transfer Rights		X
2640	Incremental Capacity Transfer Rights		X
2650	Non-Unit Specific Capacity Transaction		X
2660	Demand Resource and ILR Compliance Penalty		X
2661	Capacity Deficiency Resource		X
2662	Generation Resource Rating Test Failure		X
2663	Qualifying Transmission Upgrade Compliance Penalty		X
2664	Peak Season Maintenance Compliance Penalty		X
2665	Peak-Hour Period Availability		X
2710	PJM/MISO Seams Elimination Cost Assignment		X
2720	RTO Start-up Cost Recovery		X

2730	Expansion Cost Recovery	X	
2910	Ramapo Phase Angle Regulators		X
2930	Generation Deactivation and RMR Generating Unit Declarations Before PaPUC Approval of the Company's Default Service Program in PaPUC Docket Nos. P- 2013-2391368 <i>et al.</i>		X
2930	Generation Deactivation and RMR Generating Unit Declarations After PaPUC Approval Of the Company's Default Service Program in PaPUC Docket Nos. P- 2013-2391368 <i>et al.</i>	X	
2950	Virginia Retail Administrative Fee		X
2980	Miscellaneous Bilateral		X
2996	Annual PJM Cell Tower		X
2997	Annual PJM Building Rent		X

**\*\*Any PJM fees or charges not specifically identified as being the responsibility of the EDC shall be the responsibility of the EGS. Line Items 2100, 2102, and 2104 are Transmission Owner Revenues.**

## APPENDIX E – DS SUPPLIER’S OBLIGATIONS FOR AEPS COMPLIANCE

To satisfy AEPS with respect to the DS Supplier’s Responsibility Share, DS Supplier shall fulfill the following obligations:

1. Providing sufficient AECs for each tranche awarded via the DS Solicitation less the Allocated AECs; if any
2. Paying any AEPS penalties, costs, charges, etc. assessed against the DS Supplier and/or the Company associated with the DS Supplier’s non-performance with AEPS requirements;
3. Submitting to the Company proof of AEPS compliance under this Agreement in such form and manner as may be required by the Company.
4. Provide to the Company all information the Company may require to comply with the AEPS Act and its implementing regulations and other Requirements of Law, including, but not limited to the price paid per AEC required by 73 Pa.C.S. §1648.3(e)(8).

This Appendix E shall confirm the Alternative Energy Portfolio Standards Obligation of the Transaction Date as defined in the Transaction Confirmation.

Alternative Energy Portfolio Standards Obligations for the period beginning June 1, 2023 based on the total MWh supplied by DS Supplier:

<u>Compliance Period</u>	<u>Tier I</u>	<u>Tier I Solar</u>	<u>Tier II</u>
6/1/2023 to 5/31/2024	8.00%	0.50%	10.00%
6/1/2024 to 5/31/2025	8.00%	0.50%	10.00%
6/1/2025 to 5/31/2026	8.00%	0.50%	10.00%
6/1/2026 to 5/31/2027	8.00%	0.50%	10.00%

The percentages set forth above are those applicable for the first DS Solicitation and may be revised for future DS Solicitations to reflect changes in law or other applicable regulatory requirements.

The above amounts are estimates and will vary based on actual load served. DS Supplier will need to true-up, higher or lower, actual credits needed based on Monthly Settlement Amount.

If Alternative Energy Portfolio requirements change by Federal or state law or any other reason, the DS Suppliers shall be responsible for any incremental AEPS compliance requirement in order to comply with DS Supplier’s obligations under DS Supply.

EXHIBIT 1

TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated \_\_\_\_\_ between \_\_\_\_\_ (“Company”) and \_\_\_\_\_ (“DS Supplier”). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on \_\_\_\_\_ (“Transaction Date”).

**Product:** DS Supply

**DS Customer Group:** Residential

**Delivery Point:** [METED\_RESID\_AGG, PENELEC\_RESID\_AGG  
PENPOWER\_RESID\_AGG, or APS\_RESID\_AGG as applicable]

**Delivery Period:** June 1, 2023 through May 31, 2024 (Example of a 12 Month Product)

**DS Supplier Responsibility Share:** X Tranches won of Y Total Tranches

**DS Fixed Price** = \$XX.XX/MWh as bid by DS Supplier

**DS Fixed Percentage** = 100%

**Total Allocated AECs:** To be determined.

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation. The signatories to this Transaction must have the authority to enter into this Transaction.

Company

DS SUPPLIER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



EXHIBIT 1

TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated \_\_\_\_\_ between \_\_\_\_\_ (“Company”) and \_\_\_\_\_ (“DS Supplier”). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on \_\_\_\_\_ (“Transaction Date”).

**Product:** DS Supply

**DS Customer Group:** Commercial

**Delivery Point:** [METED\_RESID\_AGG, PENELEC\_RESID\_AGG  
PENPOWER\_RESID\_AGG, or APS\_RESID\_AGG as applicable]

**Delivery Period:** June 1, 2023 through May 31, 2024 (Example of a 12 Month Product)

**DS Supplier Responsibility Share:** X Tranches won of Y Total Tranches

**DS Fixed Price** = \$XX.XX/MWh as bid by DS Supplier

**DS Fixed Percentage** = 100%

**Total Allocated AECs:** To be determined.

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation. The signatories to this Transaction must have the authority to enter into this Transaction.

Company

DS SUPPLIER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT 1

TRANSACTION CONFIRMATION

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Agreement dated \_\_\_\_\_ between \_\_\_\_\_ (“Company”) and \_\_\_\_\_ (“DS Supplier”). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on \_\_\_\_\_ (“Transaction Date”).

**Product:** DS Supply

**DS Customer Group:** Industrial

**Delivery Point:** [METED\_RESID\_AGG, PENELEC\_RESID\_AGG  
PENPOWER\_RESID\_AGG, or APS\_RESID\_AGG as applicable]

**Delivery Period:** June 1, 2023 through May 31, 2024 (Example of a 12 Month Product)

**DS Supplier Responsibility Share:** X Tranches won of Y Total Tranches

**DS Fixed Price** = \$XX.XX/MWh as bid by DS Supplier

**DS Variable Price** = The DS Variable Price is the real time hourly total LMP for the Delivery Point, plus a fixed adder of \$4.00/MWh.

**Corrections to DS Variable Price:** In the event that PJM changes the location or mechanism by which the LMP for the Delivery Point is calculated, the Company will recalculate a new DS Variable Price for this Agreement. The PMEA/FMEA Adjustment Amount shall reflect any changes to these prices.

**Total Allocated AECs:** To be determined.

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between DS Supplier and Company by returning an executed copy of this Transaction Confirmation. The signatories to this Transaction must have the authority to enter into this Transaction.

Company  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DS SUPPLIER  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 2  
FORM OF NOTICE

Any notices required under this Agreement shall be made as follows:

Buyer:

DS Supplier:

**All Notices:**

**All Notices:**

FirstEnergy Corp.

DS Company  
Street  
City/State/Zip

Attn:

Attn:

Director Regulated Commodity Sourcing

Phone:

Phone:

Facsimile:

Facsimile:

Email:

Email:

Duns:

Duns:

Federal Tax ID Number:

Federal Tax ID Number:

Copy to:

FirstEnergy Corp.

P.O. Box 16001

Reading, PA 19612-6001

Attn: Joanne Savage Director Rates & Regulatory Affairs

Phone: (610) 921 6525

Facsimile:

Email: jmsavage@firstenergycorp.com

**Invoices :**

**Invoices:**

FirstEnergy Corp.

76 South Main Street

Akron, OH 44308

Attn: Robert Brown

Manager, Regulated Settlements

Phone: (216) 970 8357

Facsimile:

Email: rdbrown@firstenergycorp.com

Attn:

Phone:

Facsimile:

Email:

**Scheduling:**

FirstEnergy Corp.  
76 South Main Street  
Akron, OH  
Attn: Tiffanne L. Cowan  
Manager Regulated Settlements  
Phone: (330) 761 4474  
Facsimile:  
Email: cowant@firstenergycorp.com

**Payments:**

FirstEnergy Corp.  
76 South Main Street Akron, OH 44308  
Attn: Robert Brown  
Manager, Regulated Settlements  
Phone: (216) 970 8357  
Facsimile:  
Email: rdbrown@firstenergycorp.com

**Wire Transfer:**

BNK: JP Morgan Chase, NY  
FirstEnergy Service Co.  
ABA: 021000021  
ACCT: 323-396496

**Scheduling:**

Attn:  
Phone:  
Facsimile:  
Email:

**Payments:**

Attn:  
Phone:  
Facsimile:  
Email:

**Wire Transfer**

BNK:  
ABA:  
ACCT:

**Credit and Collections:**

FirstEnergy Corp.  
341 White Pond Drive  
Akron, OH 44320  
Attn: Justin Gawne  
Credit Analyst  
Phone: 330-315-7226  
Facsimile:  
Email: margin@firstenergycorp.com

**Credit and Collections:**

Attn:

Phone:

Facsimile:

**Email:**

**With additional Notices of an**

**Event of Default to:**

FirstEnergy Corp.  
P.O. Box 16001  
Reading, PA 19612-6001  
Attn: Tori Giesler  
Managing Counsel  
Phone: (610) 921-6658  
Facsimile: (610) 939-8655  
Email: tgiesler@firstenergycorp.com

**With Additional Notices of an**

**Event of Default to:**

Attn:

Phone:

Facsimile:

Email:

## APPENDIX F - LETTER OF CREDIT DOCUMENTATION

### Sample DS Letter of Credit

[Insert Date]

Letter of Credit No. [Insert Credit No]

To: [Insert Company Name] ("Beneficiary")

1. We hereby establish in your favor this irrevocable transferable Letter of Credit (this "Letter of Credit") for the account of \_\_\_\_\_ (the "Applicant"), in the amount of \$\_\_\_\_\_, effective immediately and available to you at sight upon demand at our counters at \_\_\_\_\_ (Location) and expiring 364 days from date of issuance, unless terminated earlier in accordance with the provisions hereof.
2. This Letter of Credit is issued at the request of the Applicant, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in paragraph 11 hereof. This Letter of Credit may be drawn upon an Event of Default under the DS Supplier Master Agreement(s) between the Applicant and you, dated \_\_\_\_\_ and the DS Supplier Supplier Master Agreement(s) between the Applicant and you, dated \_\_\_\_\_.
3. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M.

(New York, NY time<sup>1</sup>) on such Business Day to \_\_\_\_\_

(Bank), \_\_\_\_\_ (address), (i) a notice executed by you in the form of Annex 1 hereto, appropriately completed and duly signed by your Authorized Officer of the Beneficiary and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by your Authorized Officer of the Beneficiary. Authorized Officer shall mean President, Treasurer, any Vice President or any Assistant Treasurer.

4. We hereby agree to honor a drawing hereunder made in compliance with the terms and provisions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such account at such bank in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. (New York, NY time) on the date of such drawing, if delivery of this requisite document is made prior to 11:00 AM (New York, NY time) on a Business Day pursuant to Paragraph 3 herein above, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite document is made on or after 11:00 AM (New York, NY time) on any Business Day pursuant to Paragraph 3 herein above.
5. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice (not exceeding three (3) Business Days following the date of receipt of the documents) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons that the demand for payment was not effected

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<sup>1</sup> If the issuer of the Letter of Credit is located in an area that is not in the Eastern time zone, this time and all other times in this Letter of Credit, and the definition of a Business Day should be adjusted accordingly.

in accordance with such terms and conditions, and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so, provided, however, in such event a conforming demand for payment must be timely made in accordance with the terms of this Letter of Credit.

6. This Letter of Credit shall automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you of the drawings in an amount equal to the maximum amount available to be made hereunder, (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 hereto, or (iii) will be automatically extended without written amendment for successive additional one (1) year periods from the current or any future extended expiry date, unless at least ninety (90) days prior to such date of expiration, we give written notice to the Beneficiary by registered or certified mail, return receipt requested, or by overnight courier, at the address set forth above, or at such other address of which prior written notice has been provided to us, that we elect not to renew this irrevocable standby Letter of Credit for such additional one (1) year period.

7. As used herein:

“Business Day” shall mean any day on which commercial banks are not authorized or required to close in New York, New York and any day on which payments can be effected on the Fed wire system.

8. This Letter of Credit is assignable and transferable, in accordance with Annex 4, to an entity who you certify to us in the form of Annex 4, and we hereby consent to such



assignment or transfer, provided that this Letter of Credit may not otherwise be amended or modified without consent from us, you and the Applicant, and except as otherwise expressly stated herein, is subject to the Uniform Customs and Practice for Documentary Credits – 2007 Revision, ICC Publication No. 600, or any successor publication thereto (the “UCP”). Any and all transfer fees, expenses and costs shall be borne by the Applicant. This Letter of Credit shall, as to matters not governed by the UCP, be governed and construed in accordance with New York law, without regard to principles of conflicts of law. Transfers fees shall be borne by the Applicant.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1 through 6 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

9. We certify that as of \_\_\_\_\_(date) we \_\_\_\_\_ (“Bank”) satisfy the senior unsecured debt rating of “A” from Standard & Poor’s Ratings Services or “A2” from Moody’s Investors Service Inc.
10. The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through us referencing this Letter of Credit No. \_\_\_\_\_. Partial drawings are permitted hereunder.
11. Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_ confirmed by telephone to \_\_\_\_\_.
12. In the event of act of God, riot, civil commotion, insurrection, war, terrorism or by any

strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

13. This original Letter of Credit has been sent to the beneficiary EDC located at \_\_\_\_\_ above (as per Applicant's instructions). The aggregate amount paid to the \_\_\_\_\_ during the validity of this Letter of Credit will not exceed the amount of this Letter of Credit. Any demands or communications in the form of the attached Annexes or other communications directed to us under this Letter of Credit must be signed by an Authorized Officer of the \_\_\_\_\_. Acceptance or rejection of any amendments to this Letter of Credit must be signed by an Authorized Officer of the \_\_\_\_\_.

Very truly yours,

(Bank)

By: \_\_\_\_\_

Name: [Insert Name]

Title: [Insert Title]

Date: [Insert Date]

By: \_\_\_\_\_

Name: [Insert Name]

Title: [Insert Title]

Date: [Insert Date]

*Annex 1 to Letter of Credit*

DRAWING UNDER LETTER OF CREDIT NO. [InsertCreditNo.]

[Insert Date]

To: [Insert Bank]

[Insert Address]

Attention: Standby Letter of Credit Unit

Ladies and Gentlemen:

The undersigned is making a drawing under the above-referenced Letter of Credit in the amount specified below and hereby certifies to you as follows:

1. Capitalized terms used herein that are defined herein shall have the meanings ascribed thereto in the Letter of Credit.
2. "Pursuant to Paragraph 2 of the Letter of Credit No. [Insert Credit No.], dated [Insert Date], the undersigned is entitled to make a drawing under the Letter of Credit in the aggregate amount of \$[Insert Dollars], inasmuch as there is an Event of Default under any DS Supplier Master Agreement between the Applicant and us.
3. We acknowledge that, upon your honoring the drawing herein requested, the amount of the Letter of Credit available for drawing shall be automatically decreased by an amount equal to this drawing.

Very truly yours,

[Insert Company Name]

By: \_\_\_\_\_  
Name [Insert Name]  
Title: [Insert Title]  
Date: [Insert Date]

By: \_\_\_\_\_  
Name [Insert Name]  
Title: [Insert Title]  
Date: [Insert Date]

*Annex 2 to Letter of Credit*

DRAWING UNDER LETTER OF CREDIT NO. [Insert Credit No.]

[Insert Date]

ON [Business day immediately succeeding date of presentation]

PAY TO: [Insert Company Name]

\$ [Insert Dollars]

FOR VALUE RECEIVED AND CHARGE TO ACCOUNT OF LETTER OF CREDIT NO.  
[Insert Credit No.]

OF

[Insert Bank]

[Insert Address]

The [Insert Company]

By: \_\_\_\_\_

Name: [Insert Name]

Title: [Insert Title]

Date: [Insert Date]

By: \_\_\_\_\_

Name: [Insert Name]

Title: [Insert Title]

Date: [Insert Date]

*Annex 3 to Letter of Credit*

CERTIFICATE OF EXPIRATION  
OF LETTER OF CREDIT NO. [Insert Credit No.]  
[Insert Date]

To: [Insert Bank]  
[Insert Address]

Attention: Standby Letter of Credit Unit

Ladies and Gentlemen:

The undersigned hereby certifies to you that the above referenced Letter of Credit may be cancelled without payment. Attached hereto is said Letter of Credit, marked cancelled.

[Insert Company Name]

By: \_\_\_\_\_  
Name: [Insert Name]  
Title: [Insert Title]  
Date: [Insert Date]

By: \_\_\_\_\_  
Name: [Insert Name]  
Title: [Insert Title]  
Date: [Insert Date]

cc: [InsertApplicantName]

*Annex 4 to Letter of Credit*

NOTICE OF TRANSFER  
OF LETTER OF CREDIT NO. [Insert Credit No.]

[Insert Date]

To: [Insert Bank]  
[Insert Address]

To Whom It May Concern:

Re: Credit [Insert Credit No.]

Issued by: [Insert Name]

Advice No.: [Insert Advise No.]

For the value received, the undersigned beneficiary hereby irrevocably transfers to:

[Insert Transferee Name]

(Name of Transferee)

[Insert Address]

(Address)

All rights of the undersigned beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof, and forward it direct to the transferee with your customary notice of transfer.

Enclosed is a certified check in the amount of \$ [Insert Amount] in payment of your transfer commission and in addition we agree to pay to you on demand any expenses that may be incurred by you in conjunction with this transfer.

Very Truly Yours,  
[Insert Signature of Company]  
(Signature of the Company)

The above signature with title as stated conforms to that on file with us and is authorized for the execution of said instruments.

(Name of authenticating party)

[Insert Signature of Authenticating Party]  
(Authorized signature of authenticating party)  
Name: [Insert Name]  
Title: [Insert Title]

## APPENDIX G - GUARANTY

GUARANTY (this "Guaranty"), dated as of [Insert Date], made by \_\_\_\_\_ (the "Guarantor"), a corporation organized and existing under the laws of [Insert Law References] in favor of [Insert Company Name] (the "Guaranteed Party"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania.

Terms not defined herein take on the meaning given to them in the DS Supplier Master Agreement(s). Guarantor enters into this Guaranty in consideration of, and as an inducement for Guaranteed Party having entered into or entering into the "Agreements" with [Insert Name] (Name), a [Insert State] (State) corporation (the "DS Supplier"), which may involve the extension of credit by the Guaranteed Party. Guarantor, subject to the terms and conditions hereof, hereby unconditionally and absolutely guarantees to the Guaranteed Party the full and prompt payment when due, subject to an applicable grace period and upon demand in writing from the Guaranteed Party to the Guarantor's attention at the address for Guarantor set forth in Section 11 hereof of any and all amounts payable by the DS Supplier to the Guaranteed Party arising out of the Agreement(s), and,

1. The Guarantor, as primary obligor and not merely as surety, hereby irrevocably and unconditionally guarantees the full and prompt payment when due (whether by acceleration or otherwise) of the principal and interest on any sums due and payable by the BGS Supplier as a result of an Event of Default under the Agreement(s) (including, without limitation, indemnities, damages, fees and interest thereon, pursuant to the terms of the Agreement(s)). Notwithstanding anything to the contrary herein, the maximum aggregate liability of the Guarantor under this Guaranty shall Option 1 (in no event exceed [Insert Limit Amount].) Option 2 (in no event exceed the lesser of [Insert Limit Amount] or the sum of the Total Exposures Amounts under the Agreement(s).) All such principal, interest, obligations and liabilities, collectively, are the "Guaranteed Obligations". This Guaranty is a guarantee of payment and not of collection.
2. The Guarantor hereby waives diligence, acceleration, notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment and all demands whatsoever except as noted herein, notice of protest, notice of dishonor or nonpayment of any such liability, suit or taking of other action by any Guaranteed Party against, and any other notice to, any party liable thereon (including the Guarantor or any other guarantor), filing of claims with a court in the event of the insolvency or bankruptcy of the DS Supplier, and any right to require a proceeding first against the DS Supplier.
3. The Guaranteed Party may, at any time and from time to time, without notice to or consent of the Guarantor, without incurring responsibility to the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder, upon or without any terms or conditions: (i) take or refrain from taking any and all actions with respect to the Guaranteed Obligations, any Document or any person (including the DS Supplier) that the Guaranteed Party determines in its sole discretion to be necessary or



appropriate; (ii) take or refrain from taking any action of any kind in respect of any security for any Guaranteed Obligation(s) or liability of the DS Supplier to the Guaranteed Party; or (iii) compromise or subordinate any Guaranteed Obligation(s) or liability of the DS Supplier to the Guaranteed Party including any security for such Guaranteed Obligation(s) or liability of the DS Supplier to the Guaranteed Party.

4. Subject to the terms and conditions hereof, the obligations of the Guarantor under this Guaranty are absolute and unconditional and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by: (i) any extension, renewal, settlement, compromise, waiver, consent, discharge or release by the DS Supplier concerning any provision of the Agreement(s) in respect of any Guaranteed Obligations of the DS Supplier; (ii) the rendering of any judgment against the DS Supplier or any action to enforce the same; (iii) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations; (iv) any modification, amendment, waiver, extension of or supplement to any of the Agreement(s) or the Guaranteed Obligations agreed to from time to time by the DS Supplier and the Guaranteed Party; (v) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of the BGS Supplier or the Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceedings affecting the DS Supplier or its assets, the Guarantor or any other guarantor of any of the Guaranteed Obligations; (vi) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the DS Supplier, the Guaranteed Party or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim; (vii) the invalidity, irregularity or unenforceability in whole or in part of the Agreement(s) or any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations or the absence of any action to enforce the same, or any provision of applicable law or regulation purporting to prohibit payment by the DS Supplier of amounts to be paid by it under the Agreement(s) or any of the Guaranteed Obligations; and (viii) except for a failure to comply with any applicable statute of limitations, any other act or omission to act or delay of any kind of the DS Supplier, any other guarantor, the Guaranteed Party or any other corporation or person or any other event, occurrence or circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Guarantor's obligations hereunder.
5. The Guarantor hereby irrevocably waives (a) any right of reimbursement or contribution, and (b) any right of salvage against the DS Supplier of any collateral security or guaranty or right of offset held by the Guaranteed Party.
6. The Guarantor will not exercise any rights, which it may acquire by way of subrogation until all Guaranteed Obligations to the Guaranteed Party pursuant to the Agreement(s) have been paid in full.

7. Subject to the terms and conditions hereof, this Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. Except for a failure to comply with any applicable statute of limitations, no failure or delay on the part of the Guaranteed Party in exercising any right, power or privilege hereunder, and no course of dealing between the Guarantor and the Guaranteed Party, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, powers and remedies herein expressly provided are cumulative and not exclusive of any rights, powers or remedies, which the Guaranteed Party would otherwise have. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice of demand in similar or other circumstances or constitute a waiver of the rights of the Guaranteed Party to any other or further action in any circumstances without notice or demand.
8. This Guaranty shall be binding upon the Guarantor and upon its successors and assigns and shall inure to the benefit of and be enforceable by the Guaranteed Party and its successors and assigns; provided, however, that the Guarantor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Guaranteed Party. The assignment rights of the Guaranteed Party will be in accordance with the terms of the underlying Agreement(s).
9. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except upon written agreement of the Guaranteed Party and the Guarantor.
10. The Guarantor agrees that its liability as guarantor shall continue and remain in full force and effect in the event that all or any part of any payment made hereunder or any obligation or liability guaranteed hereunder is recovered (as a fraudulent conveyance, preference or otherwise) rescinded or must otherwise be reinstated or returned due to bankruptcy or insolvency laws or otherwise.
11. All notices and other communications hereunder shall be made at the addresses by hand delivery, by the next day delivery service effective upon receipt or by certified mail return receipt requested (effective upon scheduled weekday delivery day) or telefacsimile (effective upon receipt of evidence, including telefacsimile evidence, that telefacsimile was received).

If to the Guarantor:

[Insert Guarantor]

If to the Guaranteed Party:

[Insert Guaranteed Party]

12. If claim is ever made upon the Guaranteed Party for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and the Guaranteed Party repays all or part of such amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property, or (b) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Guarantor), then and in such event the Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon it, notwithstanding any revocation hereof or the cancellation of the Agreement(s) or other instrument evidencing any liability of the Guarantor, and the Guarantor shall be and remain liable to the Guaranteed Party hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.
13. The Guarantor hereby certifies that it satisfies the Minimum Rating as defined in the Agreement(s).
14. This Guaranty shall remain in full force and effect until all Guaranteed Obligations have been fully and finally performed, at which point it will expire. The Guarantor may terminate this Guaranty upon thirty (30) days prior written notice to the Guaranteed Party which termination shall be effective only upon receipt by the Guaranteed Party of alternative means of security or credit support, as specified in the Agreement(s) and in a form reasonably acceptable to the Guaranteed Party. Upon the effectiveness of any such expiration or termination, the Guarantor shall have no further liability under this Guaranty, except with respect to the Guaranteed Obligations entered into prior to the time the expiration or termination is effective, which Guaranteed Obligations shall remain guaranteed pursuant to the terms of this Guaranty until finally and fully performed.
15. The Guarantor represents and warrants that: (i) it is duly organized and validly existing under the laws of the jurisdiction in which it was organized and has the power and authority to execute, deliver, and perform this Guaranty; (ii) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over the Guarantor is required on the part of the Guarantor for the execution, delivery and performance of this Guaranty except for those already made or obtained; (iii) this Guaranty constitutes a valid and legally binding agreement of the Guarantor, and is enforceable against the Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and by general principles of equity; and (iv) the execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate or comparable action and do not contravene any provision of its [insert appropriate corporate organizational document, such as Declaration of Trust, Limited Liability Agreement, Articles of Incorporation or by-laws] or any law, regulation or contractual restriction binding on it or its assets.

16. This Guaranty and the rights and obligations of the DS Supplier and the Guarantor hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. The Guarantor and Guaranteed Party jointly and severally agree to the exclusive jurisdiction of State and Federal courts located in the Commonwealth of Pennsylvania over any disputes arising or relating to this Guaranty and waive any objections to venue or inconvenient forum. The Guarantor and Guaranteed Party each hereby irrevocably waive any and all rights to trial by jury with respect to any legal proceeding arising out of or relating to this Guaranty.
17. This writing is the complete and exclusive statement of the terms of this Guaranty and supersedes all prior oral or written representations, understandings, and agreements between the Guaranteed Party and the Guarantor with respect to subject matter hereof. The Guaranteed Party and the Guarantor agree that there are no conditions to the full effectiveness of this Guaranty.
18. Every provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
19. No Trustee or shareholder of Guarantor shall be held to any liability whatsoever for any obligation under this Guaranty, and such Guaranty shall not be enforceable against any such Trustee in their or his or her individual capacities or capacity. This Guaranty shall be enforceable against the Trustees of Guarantor only as such, and every person, firm, association, trust or corporation having any claim or demand arising under this Guaranty and relating to Guarantor, its shareholders or Trustee shall look solely to the trust estate of Guarantor for the payment or satisfaction thereof.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and delivered as of the date first above written to be effective as of the earliest effective date of any of the Agreement(s).

(GUARANTOR)  
[Insert Guarantor]

Accepted and Agreed to:  
[Insert Name]

By:  
Name: [Insert Name]  
Title: [Insert Title]

By: [Insert Company Name]  
Name: [Insert Name]  
Title: [Insert Title]

## **APPENDIX H– CAPACITY PROXY PRICE**

For purposes of this Appendix: (i) the “PJM RPM Zonal Net Load Price” is the price charged by PJM to LSEs for capacity in the Company’s PJM zone under the Reliability Pricing Model (“RPM”) or its successor; and (ii) the “Capacity Proxy Price” (CPP) for the Company is \$\_\_\_\_\_/MW-day.

The CPP for each Company will be the average of the capacity prices from the last auctions of the previous two Capacity Market Auctions conducted by PJM.

In the event a CPP is implemented, Section 9.1 (a) of the SMA is replaced with the following:

Each Billing Month the Company will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Fixed Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Fixed Percentage as shown on the Transaction Confirmation(s) for each hour of the Billing Month, plus the aggregate amounts due based on the DS Variable Price multiplied by the hourly Energy requirements of DS Supply used to determine the PMEA multiplied by the DS Variable Percentage, if applicable, as shown on the Transaction Confirmation(s) for each hour of the Billing Month. For each Billing Month after the Capacity Proxy Price is known, the Companies will apply the Capacity Proxy Price true-up across the entire contract term. The calculation of the day weighted average capacity price adjustment for purposes of determining the true-up amount will reflect final unforced capacity (i.e., UCAP) quantity weighting. For example, for a 24-month contract term, the Companies will calculate the relevant 24-month average capacity price adjustment by appropriately weighting the amount of capacity (i.e., the final UCAP quantity) purchased by the supplier at each PJM capacity price.

## APPENDIX I – ASSIGNMENT AGREEMENT

### ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

This **Assignment, Assumption and Release Agreement** (this “**Assignment Agreement**”) dated as of \_\_\_\_\_, \_\_\_\_\_ (the “**Assignment Execution Date**”) by and among:

(“**Transferor**”)

(“**Transferee**”)

and

[**Applicable EDC listed here – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, or West Penn Power Company**], a corporation and a public utility organized and existing under the laws of Pennsylvania (“**Remaining Party**”).

### RECITALS

**WHEREAS** as identified in Schedule 1 hereto, Transferor and Remaining Party have in place the Default Service Supplier Master Agreement between Remaining Party and Transferor dated \_\_\_\_\_, including the associated appendices attached thereto (collectively referred to herein as “**Agreement**”);

**WHEREAS** Transferor has agreed to assign to Transferee and Transferee has agreed to assume all of the rights, liabilities, duties and obligations of Transferor under and in respect of the Agreement on and subject to the terms contained herein;

**WHEREAS** Remaining Party is willing to consent to such assignment and assumption as herein set forth and to accept Transferee as its counterparty with respect to the Agreement in the place and stead of Transferor pursuant to the terms of this Assignment Agreement; and

**WHEREAS** Transferor and Remaining Party have agreed to release and discharge, as a result and to the extent, of the assignment and assumption described above, their respective future obligations under and in respect of the Agreement all as more fully set forth below.

**NOW THEREFORE**, for good and valuable consideration (receipt and sufficiency of which are hereby acknowledged), the parties hereto mutually covenant and agree as follows:

1. **Assignment and Assumption.** Transferor hereby assigns, conveys, transfers and delivers to Transferee, and Transferee hereby accepts and assumes, in each case as of the Assignment Execution Date, Transferor's entire right, title, estate and interest in and to, and Transferor's rights, liabilities, duties and obligations under, the Agreement from and after the Effective Date, for Transferee's sole use and benefit absolutely. For purposes of this Assignment Agreement, the term "**Effective Date**" shall mean \_\_\_\_\_.
2. **Acceptance by Transferee.** Transferee hereby assumes and accepts the aforesaid Agreement, and covenants and agrees with Remaining Party and Transferor that from and after the Assignment Execution Date, Transferee will be bound by, observe and perform, carry out and fulfill all covenants and agreements, duties and obligations under the Agreement from and after the Effective Date that were formerly required to be observed and performed by Transferor under the terms of the Agreement, and that the Agreement shall be fully enforceable against Transferee by Remaining Party, in each case, as if Transferee were an original party thereto.
3. **Consent and Acceptance by Remaining Party.** In satisfaction of Section 16.3 of the Agreement, Remaining Party hereby consents to the assignment and assumption of the Agreement in accordance with the terms set forth herein and accepts Transferee as the party to perform the obligations of Transferor under the Agreement from and after the Effective Date, and Remaining Party agrees that it shall not make any claim against Transferee as a consequence of or relating to the observance and performance of the covenants, representations and agreements under, or any default, breach or non-performance attributable to Transferor under the Agreement or any other transaction entered into pursuant to the Agreement prior to the Effective Date, regardless of when Remaining Party's cause of action accrued.
4. **Release.**
  - (a) Effective as of and from the Effective Date, Remaining Party hereby releases and forever discharges Transferor from all obligations to Remaining Party with respect to the Agreement and of and from any and all liability as a consequence of or relating to all manner of action and actions, cause or causes of action, suits, debts, dues, sums of money, claims and demands whatsoever at law or in equity ("**Claims**") arising out of, or which are in any way related to, the Agreement after and including the Effective Date; provided that, for certainty, the foregoing shall not release or discharge Transferor in respect of the settlement, payment or performance of any liabilities or obligations due and payable or due to be performed, including without limitation payment of any adjustments thereof, or causes



of action for breach of the Agreement, with respect to periods prior to the Effective Date (the “**Transferor Excluded Liabilities**”) and all such Transferor Excluded Liabilities shall be paid or performed by Transferor in accordance with the terms of the Agreement.

- (b) Effective as of and from the Effective Date, Transferor hereby releases and forever discharges Remaining Party from all obligations to Transferor with respect to the Agreement and of and from any and all liability as a consequence of or relating to all Claims arising out of, or which are in any way related to, the Agreement after and including the Effective Date; provided that, for certainty, the foregoing shall not release or discharge Remaining Party in respect of the settlement, payment or performance of any liabilities or obligations due and payable or due to be performed, including without limitation payment of any adjustments thereof, with respect to periods prior to the Effective Date (the “**Remaining Party Excluded Liabilities**”), and all such Remaining Party Excluded Liabilities shall be paid or performed by Remaining Party in accordance with the terms of the Agreement.
  - (c) In respect of the Agreement, effective from and after the Effective Date, Remaining Party and Transferee each undertake liabilities and obligations towards the other and acquire rights against each other identical in their terms as if Transferee were Transferor and with Remaining Party remaining the counterparty, save for any rights, liabilities or obligations of Remaining Party with respect to any Remaining Party Excluded Liabilities, if any, or Transferor with respect to any Transferor Excluded Liabilities, if any.
5. **Further Assurances.** Each party hereto agrees that it shall, from time to time and at all times hereafter, execute such further assurances and do all such acts and things as may be reasonably required for the purpose of vesting in Transferee the rights and obligations of Transferor in the Agreement as assigned to, and assumed by, Transferee and effecting the release and other transactions set forth herein, including, at the request of Remaining Party, executing a new default service supplier master agreement with the same terms and conditions of the Agreement.

6. **Address for Notices.**

The address for Transferor for notices shall be:

\_\_\_\_\_

The address for the Transferee for notices shall be:

\_\_\_\_\_

7. **Enurement.** This Assignment Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
8. **Counterpart Execution.** This Assignment Agreement may be executed in separate counterparts and delivered by facsimile, or as an attachment to an electronic message (such as a pdf, tif or other mutually acceptable type of file attachment) each of which when so executed and delivered shall constitute the one and the same original document.
9. **Governing Law; Waiver of Jury Trial.** This Assignment Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of laws. Any judicial action arising out of, resulting from, or in any way relating to this Assignment Agreement shall be brought only in a state or federal court of competent jurisdiction located in the Commonwealth of Pennsylvania, except to the extent subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”), Pennsylvania Public Utility Commission (“PUC”) or appellate courts having jurisdiction over the PUC or FERC matters. **EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS ASSIGNMENT AGREEMENT. EACH PARTY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER.**

**10. Representations, Warranties and Covenants.**

- (a) Transferor hereby represents and warrants that: (i) its right, title, estate and interest in and to the Agreement is free and clear of any liens, charges, pledges, options, mortgages, deeds of trust, security interests, restrictions (whether on voting, sale, transfer, disposition, or otherwise), and easements, whether imposed by law, agreement, understanding, or otherwise whatsoever, (ii) it has the power and authority to effect the sale, assignment and transfer of the Agreement and to execute this Assignment Agreement; (iii) it is a “public utility” as such term is defined under the Federal Power Act, (iv) it has no captive customers; (v) it does not own, or provide transmission services over, transmission facilities subject to the jurisdiction of the Federal Energy Regulatory Commission; (vi) assuming the truthfulness of the representations of Transferee set forth in Section 11(b)(iii), (iv) and (v) below, the transfer of rights under the Agreement falls within the blanket authorization granted under 18 C.F.R. Section 33.1(c)(16); (vii) the Agreement has not been amended or modified and is in full force and effect; (viii) no event or condition has occurred that

constitutes, or will with the passage of time constitute, an event of default or termination under the Agreement; (ix) there are no material disputes pending or to its knowledge threatened related to any rights or obligations transferred by this Assignment Agreement; (x) as of the Assignment Execution Date, it has performed all of its obligations under the Agreement that are required to be performed and will have performed all such obligations as of the Effective Date; (xi) it is acting for its own account, and it has made its own independent decisions to enter into this Assignment Agreement and as to whether this Assignment Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary; (xii) it is not relying on any communication (written or oral) of the other parties as investment advice or as a recommendation to enter into this Assignment Agreement; it being understood that information and explanations related to the terms and conditions of this Assignment Agreement shall not be considered investment advice or a recommendation to enter into this Assignment Agreement; (xiii) no communication (written or oral) received from any of the other parties shall be deemed to be an assurance or guarantee as to the expected results of this Assignment Agreement; (xiv) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Assignment Agreement; (xv) it is also capable of assuming, and assumes, the risks of this Assignment Agreement; and (xvi) none of the other parties is acting as a fiduciary for or an adviser to it in respect of this Assignment Agreement.

- (b) Transferee hereby represents and warrants that: (i) it has the power and authority to accept and assume the sale, purchase, assignment and transfer of the Agreement and to execute this Assignment Agreement; (ii) it is qualified to do business in the Commonwealth of Pennsylvania; (iii) it is a “public utility” as such term is defined under the Federal Power Act, (iv) it has no captive customers; (v) it does not own, or provide transmission services over, transmission facilities subject to the jurisdiction of the Federal Energy Regulatory Commission; (vi) it is a “Load Serving Entity” as defined in the Agreement in good standing with PJM Interconnection, LLC (“PJM”) and is in compliance with all applicable PJM obligations, rules and regulations; (vii) assuming the truthfulness of the representations of Transferor set forth in Section 10(a)(iii), (iv) and (v) above, the transfer of rights under the Agreement falls within the blanket authorization granted under 18 C.F.R. Section 33.1(c)(16); (viii) it is acting for its own account, and it has made its own independent decisions to enter into this Assignment Agreement and as to whether this Assignment Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary; (ix) it is not relying on any communication (written or oral) of the other parties as investment advice or as a recommendation to enter into this Assignment Agreement; it being

understood that information and explanations related to the terms and conditions of this Assignment Agreement shall not be considered investment advice or a recommendation to enter into this Assignment Agreement (x) no communication (written or oral) received from any of the other parties shall be deemed to be an assurance or guarantee as to the expected results of this Assignment Agreement; (xi) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Assignment Agreement and the Agreement; (xii) it is also capable of assuming, and assumes, the risks of this Assignment Agreement and the Agreement; and (xiii) none of the other parties is acting as a fiduciary for or an advisor to it in respect of this Assignment Agreement.

- (c) Transferee hereby represents and warrants (i) that each representation and warranty of the Transferor set forth in the Agreement is true, correct and complete with respect to Transferee as of the Assignment Execution Date and will be true, correct and complete as of the Effective Date, and hereby makes each such representation and warranty for the benefit of Remaining Party as if set forth in full herein, and (ii) that Transferee is familiar with and meets all of Remaining Party's creditworthiness requirements and all applicable load-cap requirements, currently in effect under and pursuant to the Agreement. Transferee acknowledges that Remaining Party is relying upon, and agrees that Remaining Party may rely upon, the representations and warranties of Transferee set forth in this Assignment Agreement in providing its consent to and acceptance of the assignment to and assumption by Assignee of the Agreement.
- (d) Transferee hereby agrees to be bound by the terms of the Agreement and to perform all of the obligations thereunder in accordance with the terms thereof.

Each party hereto represents and warrants to the others that: (i) this Assignment Agreement and, as to Remaining Party and Transferee, the Agreement, do not and will not violate or conflict with its charter, articles or certificate of incorporation, or by-laws (or comparable constitutive documents), any statute, law, rule, regulation or ordinance, or any judgment, order, consent order, stipulated agreement, writ, injunction, or decree of any court or governmental agency, applicable to it or any agreement to which it is a party or by which it or any of its property is bound; provided that the Remaining Party shall provide an informational filing to the PUC advising of the execution of this Assignment Agreement after the Assignment Execution Date; (ii) its obligations hereunder and, as to Remaining Party and Transferee, under the Agreement are legal, valid and binding on it, and enforceable in accordance with their terms; and (iii) the person signing this

Assignment Agreement for such party is an officer, director, and/or partner of such party and is authorized and duly empowered to do so.

- 11. Informational Filing.** The parties acknowledge that Remaining Party shall provide an informational filing to the PUC advising of the execution of this Assignment Agreement after the Assignment Execution Date.
- 12. Costs and Expenses.** The parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Assignment Agreement and as a result of the negotiation, preparation and execution of this Assignment Agreement.
- 13. Amendments.** No amendment, modification or waiver in respect of this Assignment Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties.
- 14. Waiver.** No waiver under this Assignment Agreement is effective unless it is in writing and signed by the party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated and does not operate as a waiver on any future occasion. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege or condition arising from this Assignment Agreement: (a) any failure or delay in exercising any right, remedy, power or privilege or in enforcing any condition under this Assignment Agreement; or (b) any act, omission or course of dealing between the parties.
- 15. Cumulative Remedies.** All rights and remedies provided in this Assignment Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise.
- 16. No Third Party Beneficiaries.** This Assignment Agreement benefits solely the parties to this Assignment Agreement and their respective permitted successors and assigns and nothing in this Assignment Agreement, express or implied, confers on any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Assignment Agreement.
- 17. Headings; Defined Terms.** The headings in this Assignment Agreement are for reference only and do not affect the interpretation of this Assignment Agreement. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.
- 18. Severability.** If any term or provision of this Assignment Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability does not affect any other term or provision of this Assignment Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is

invalid, illegal or unenforceable, the parties to this Assignment Agreement shall negotiate in good faith to modify this Assignment Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

*[signature page follows]*

**IN WITNESS WHEREOF** the parties have executed this Assignment Agreement on the respective dates specified below with effect from and including the Assignment Execution Date.

**TRANSFEROR:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**TRANSFeree:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**REMAINING PARTY:**

**[Applicable EDC listed here – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, or West Penn Power Company]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT D-1**

**REVISED METROPOLITAN EDISON COMPANY  
ELECTRIC SERVICE TARIFF  
(RELEVANT PAGES)**



METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_\_ Revised Page 7

Superseding \_\_\_\_ Revised Page 7

TABLE OF CONTENTS (continued)	Page No.	
Rider I - Hourly Pricing Default Service Rider	136-141	
Rider J - Default Service Support Rider	142-149	
Rider K - Time-of-Use Default Service Rider	150-152	
Rider L - Partial Services Rider	153-158	
Rider M - Cogeneration & Small Power Production Qualifying Facility Service Rider	159-162 163-167	
Rider N - Solar Photovoltaic Requirements Charge Rider		
Rider O - Grandfathered Advanced Meters, Meter-Related Devices or Networks Rider	168 169-171	
Rider P - These pages are intentionally left blank	172-174	(C)
Rider Q - Renewable Energy Development Rider	175-178	
Rider R - Distribution System Improvement Charge Rider		

(C) Change

Issued:

Effective: June 1, 2023

## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

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

**Energy Charge** - A charge based upon kilowatt-hours of use.

**Energy Efficiency and Conservation Charge** - A reconcilable, non-by-passable charge applied to each Billing Unit during a billing month to Delivery Service Customers, with the exception of those served under Borderline Service, pursuant to the terms of the Phase II Energy Efficiency and Conservation Rider.

**FERC** - The Federal Energy Regulatory Commission

**Generating Facility** - Any equipment and/or facility that is electrically interconnected to the Company and is (i) capable of generating electrical energy for delivery into the PJM control area and (ii) is located on a single site within the Company's service territory. A single site with multiple generating units, each owned by a single entity, shall constitute one Generating Facility. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generating Facility if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

**Hertz** - A unit of frequency, equal to one cycle per second.

**Horsepower (HP)** - Unit of mechanical power representing rate of consumption of power and equivalent to 746 watts. As used herein, horsepower is computed as the equivalent of 750 watts.

**Hourly Pricing Service Charges** - For Customers served under Rate Schedules GS-Medium (HP), GS-Large, GP, TP, as well as GS-Small and GS-Medium (PTC) Customers that elect this rate, the charges representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market-based transmission, and ancillary services for Default Service Customers.

(C)

(C) Change

## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

**Non-Summer** - The calendar months of October through May.

(C)

**On-Peak Hours** - The On-peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays. If Customer does not select the On-Peak hours within 30 days of the receipt of notice to do so, the On-Peak hours will default to 8 a.m. to 8 p.m. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are subject to change from time to time by the Company after giving notice of such changes to Customers.

**Permanent Residential Customer** - A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

**PJM** - PJM Interconnection, L.L.C. or any successor organization/entity thereto.

**Point of Delivery** - The location at which the Company service connection terminates and the Customer's wiring and installation begins.

**Power Factor** - The ratio of the watts to the volt-amperes.

(C)

**Price to Compare Default Service Charge** - The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market-based transmission and ancillary services for Customers who take Default Service.

**Primary Voltage** - Voltage greater than 600 volts.

**Private Right-of-Way** - The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 58

Superseding \_\_\_ Revised Page 58

## RATE SCHEDULES

### RATE RS

#### AVAILABILITY:

This Rate is available to Residential Customers using the Company's standard, single phase service through a single meter including not more than 2,000 watts of non-residential connected load served through the same meter.

All of the following general monthly charges are applicable to Delivery Service Customers:

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$11.25 per month (Customer Charge), plus  
4.800 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider C – Universal Service Cost Rider

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 61

Superseding \_\_\_ Revised Page 61

## RATE SCHEDULES

### RATE GS

#### VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE SERVICE, RESCUE SQUAD AND SENIOR CENTER SERVICE RATE

#### AVAILABILITY:

This Rate Schedule is restricted to Volunteer Fire Companies, Non-Profit Ambulance Services, Non-Profit Rescue Squads and Non-Profit Senior Citizen Centers that sign a one (1) year contract.

All of the following general monthly charges are applicable to Delivery Service Customers:

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$11.25 per month (Customer Charge), plus  
4.800 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider B – Tax Cuts and Jobs Act Voluntary Surcharge
- Rider C – Universal Service Cost Rider
- Rider F – Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider R – Distribution System Improvement Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 63

Superseding \_\_\_ Revised Page 63

## RATE SCHEDULES

### RATE GS-SMALL

#### GENERAL SERVICE SECONDARY RATE – NON DEMAND METERED

##### AVAILABILITY:

Available to non-Residential Customers without demand meters that use electric service through a single delivery location for lighting, heating and/or power service. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

If an existing Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Small. Based upon the Company's then estimate of the Customer's new demand, the Customer shall be placed on Rate Schedule GS-Medium or such other Rate Schedule for which such Customer most qualifies.

All of the following general monthly charges are applicable to Delivery Service Customers:

##### GENERAL MONTHLY CHARGES:

###### **Distribution Charge**

\$21.88 per month for single phase (Customer Charge), plus

4.069 cents per kWh for all billed kWh

##### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 67

Superseding \_\_\_ Revised Page 67

## RATE SCHEDULES

Rate GS-Medium (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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## RATE SCHEDULES

### RATE GS-LARGE GENERAL SERVICE SECONDARY RATE

#### AVAILABILITY:

This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 kW in two (2) consecutive months in the most recent twelve-month period. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers:

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$270.09 per month (Customer Charge), plus

\$4.16 per kWh for all billing

\$0.20 for each rkVA of Reactive Billing Demand

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change



METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 74

Superseding \_\_\_ Revised Page 74

## RATE SCHEDULES

Rate GP (continued)

### GENERAL MONTHLY CHARGES:

#### **Distribution Charge**

\$951.53 per month, plus

Demand

\$2.98 per kW for all billed kW

\$0.20 for each rkVA of Reactive Billing Demand

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 78

Superseding \_\_\_ Revised Page 78

## RATE SCHEDULES

Rate TP (continued)

### GENERAL MONTHLY CHARGES:

#### **Distribution Charge**

\$5,290.68 per month (Customer Charge), plus

\$0.96 per kW for all billed kW

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 82

Superseding \_\_\_ Revised Page 82

## RATE SCHEDULES

### RATE MS MUNICIPAL SERVICE RATE

#### AVAILABILITY(RESTRICTED):

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE OCTOBER 19, 1983.

Municipal lighting, and/or power and/or heating service used by counties, cities, boroughs, townships and public school districts for public purposes only and not applicable to service where counties, cities, boroughs, townships or public school districts are compensated in any form (other than admissions collected by such bodies) for the use of any of the facilities for which service is supplied.

**Secondary Voltage:** Secondary voltage will be supplied by the Company to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA.

**Primary Voltage:** New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers:

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$32.23 per month (Customer Charge), plus  
3.159 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

Issued:

Effective: June 1, 2023

## SERVICES

### BORDERLINE SERVICE

#### AVAILABILITY:

Borderline Service is available to public utility companies for resale in adjacent service territory to the Company under reciprocal agreements between the Company and other public utility companies, subject to the following conditions:

- A. A request shall be made in writing for each point of supply where service is desired.
- B. Borderline service may be supplied in the Company's sole and exclusive discretion when it has available adequate capacity to serve the requested location(s).
- C. When such service is supplied, energy shall be supplied at sixty (60) cycle alternating current, at such potential and of such phase as may be mutually agreed upon.

All of the following general monthly charges are applicable to Delivery Service Customers.

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

4.133 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 88

Superseding \_\_\_ Revised Page 88

## SERVICES

Street Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 92

Superseding \_\_\_ Revised Page 92

SERVICES

Street Lighting Service (continued)

**Metal Halide:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>
175	70	0.27	0.15
250	98	0.38	0.15
400	156	0.60	0.15

**Underground Alternative Technology Lighting:**

<u>*Distribution</u>	<u>Monthly Minimum Charge</u>
0.280	0.17

\*cents per kWh

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 97

Superseding \_\_\_ Revised Page 97

## SERVICES

### ORNAMENTAL STREET LIGHTING SERVICE

AVAILABILITY (RESTRICTED):

AVAILABLE ONLY AS A FULL SERVICE OPTION.

THIS SERVICE IS RESTRICTED TO EXISTING CUSTOMERS AND NO ADDITIONAL LIGHTS WILL BE INSTALLED HEREUNDER, OR INCREASED IN SIZE, EFFECTIVE OCTOBER 19, 1983. ANY CUSTOMER PRESENTLY SERVED UNDER THIS ORNAMENTAL STREET LIGHTING SERVICE AND ELECTS TO TERMINATE THIS SERVICE, SHALL NOT BE PERMITTED TO RETURN AS A ORNAMENTAL STREET LIGHTING SERVICE CUSTOMER.

Available for ornamental street lighting service and street lighting service for underpasses and bridges. Applicable only to municipal or other governmental bodies. Incandescent street lights may be relocated provided Customer pays Company the cost of such relocation, except that such lights will be installed only in areas already lighted predominantly by incandescent lights.

TYPE OF SERVICE:

The following conditions are applicable to all lights served and to all equipment supplied under this Service:

1. Lamps will be lighted from dusk to dawn, which is approximately 4,200 hours per year.
2. The lumen rating, where stated, is the manufacturers' stated nominal rating of lamps.

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 101

Superseding \_\_\_ Revised Page 101

## SERVICES

LED Street Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

For customers taking the default service, the Price to Compare Default Service Charge shall be determined using the applicable Monthly kWh usage multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### TERM OF CONTRACT:

Provision of this Service requires a contract with the Company. The initial term of contract shall be not less than ten (10) years, subject to renewal for successive one (1) year terms, unless other terms shall be provided in the contract. When replacement of existing lighting is requested by the Customer of an existing luminaire during the initial ten (10) year term, the Customer shall pay the cost of removal in addition to an amount representative of the depreciable life of the fixture for the remainder of the term (to be determined by the Company).

### GENERAL PROVISIONS:

- A. The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of but not limited to lamps, luminaries, brackets, and other supporting materials.
- B. The Company will install lighting fixtures on an approved existing pole. All additional and new lighting equipment, consisting of but not limited to poles, brackets, wiring, transformation, etc., not provided for herein and installed by the Company at the request of the customer shall be the property of the Company and be paid for by the customer prior to the customer taking service.

(C) Change

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 104

Superseding \_\_\_ Revised Page 104

## SERVICES

Outdoor Area Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

The Price to Compare Default Service Charge shall be determined using the applicable Monthly kWh usage, from the preceding chart, multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### TERM OF CONTRACT:

The initial term of contract shall be not less than three (3) years when installed on existing poles or not less than five (5) years when either a pole is installed for supporting the light or secondary facilities are installed to serve the light.

### GENERAL PROVISIONS:

All facilities necessary for service under this schedule shall be owned and maintained by the Company, except that at its option the Company may install the light on a pole owned by another utility company, or on a farm center pole owned or used by the Customer. If a light is installed on a farm center pole, the Company may require a satisfactory written agreement releasing the Company of damage claims and to indemnify the Company against claims by others.

(C) Change

Issued:

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RIDERS

Rider D (continued)

3. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the distribution system, then through the remaining meters for the customer-generator's account equally at each meter's designated rate. Virtual meter aggregation is the combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the Company's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. The customer-generators are responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.
  
4. If a net metering Customer served on Rate GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate, GS-Small, GS-Medium, GS-Large, GP, TP and MS generates electricity such that the self-generation results in a 10% or more reduction in the customer's purchase of electricity through the Company's transmission and distribution network for any calendar year when compared to the calendar year immediately prior to the installation of the generation, the net metering Customer shall be responsible for its share of stranded costs to prevent interclass or intraclass cost shifting. (C)

APPLICATION:

Customer-generators seeking to receive service under the provisions of this Rider must submit a written application to the Company demonstrating compliance with the Net Metering Rider provisions and quantifying the total rated generating capacity of the customer-generator facility.

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 129

Superseding \_\_\_ Revised Page 129

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC<sub>Default</sub> rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2023 through November 30, 2023 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium (PTC), Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service and Outdoor Lighting Service):

\$X.XXXXX per kWh.

Residential Customer Class (Rate RS and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXX per kWh

(C) Change

Issued:

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RIDERS

Rider H (continued)

(C)

The PTC<sub>Default</sub> rates by Commercial or Residential Customer Class will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six month period ending September 30<sup>th</sup> to be effective for the six month period beginning December 1<sup>st</sup>. The PTC<sub>Default</sub> rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

Where:

PTC<sub>Current</sub> = The current cost component of the PTC<sub>Default</sub> rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC<sub>Current</sub> component of the PTC<sub>Default</sub> rate by Commercial or Residential Customer Class will use the following procedures:

(C)

PTC<sub>Current Cost Component</sub> = The current cost component of the PTC<sub>Default</sub> rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load, and any PJM charges related to the provision of Default Service.

(C) Change

RIDERS

Rider H (continued)

$PTC_{Loss_{Current}}$  = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

<b>Customer Class</b>	<b>Loss Factor</b>
Commercial Customer Class	1.0515
Residential Customer Class	1.0515

$PTC_{Adm}$  = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

$PTC_{NITS}$  = When the Company purchases Network Integration Transmission Service from PJM on behalf of customers, a Network Integration Transmission Service Charge for Default Service, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

RIDERS

Rider H (continued)

DS<sub>Exp1</sub> = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027, including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan for Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs incurred to implement the Time-of-Use Rider

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

DS<sub>Exp2</sub> = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class for the six-month period ending two months prior to the effective date, including but not limited to the following:

(C) Change

RIDERS

Rider H (continued)

(C)

- Payments made to winning bidders
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in Rider J, and ancillary services associated with the acquisition of default service supply.
- All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
- The cost of credit when the Company is considered by PJM to be the load serving entity
- Any cost incurred by the Company associated with any Commission-approved solar power purchase agreements and the administration of the Company's long-term solar procurement, including the costs associated with spot purchases to satisfy a fixed quantity of default service load. These costs will be recovered from the customers in the applicable procurement classes receiving an allocation of the solar energy and/or the SPAECs procured.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

- PTC<sub>Rev</sub> = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed under the respective Customer Class PTC<sub>Default</sub> rates. (C)
- DS<sub>Int</sub> = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)
- DS<sub>Sales</sub> = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the six-month billing period that the E rate component of the PTC<sub>Default</sub> rate will be in effect. (C)
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Each change in the PTC<sub>Default</sub> rates will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised PTC<sub>Default</sub> rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the PTC<sub>Default</sub> rates shall be subject to annual review and audit by the Commission.

(C) Change



METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 135

Superseding \_\_\_ Revised Page 135

RIDERS

Rider H (continued)

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 136

Superseding \_\_\_ Revised Page 136

RIDERS

RIDER I

HOURLY PRICING DEFAULT SERVICE RIDER

**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Medium (HP), GS-Large, GP, and TP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All GS-Small and GS-Medium (PTC) Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

**Hourly Pricing Service Charges:**

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

**HP Energy Charge per kWh:**

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the ME Transmission Zone.

HP<sub>Oth</sub> = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

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METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 137

Superseding \_\_\_ Revised Page 137

## RIDERS

### Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0515
	GS-Medium	1.0515
	GS-Large	1.0515
	GP	1.0171
	TP	1.0007

These HP Loss Multipliers exclude transmission losses.

### **HP Cap-AEPS-Other Charge:**

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. (C)

### **HP Administrative Charge:**

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

### **HP Uncollectibles Charge:**

\$X.XXXXX per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

### **HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“E<sub>HP</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one- thousandth of a cent per kWh. The E<sub>HP</sub> rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2023 through November 30, 2023, the E<sub>HP</sub> rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

(C) Change

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RIDERS

Rider I (continued)

The  $E_{HP}$  rate will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>, and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The  $E_{HP}$  rate shall be calculated in accordance with the formula set forth below:

(C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

(C)

Where:

$E_{HP}$  = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

$DS_{HPExp1}$  = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan including legal, customer notice, and consultant fees.

(C)

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

(C) Change

RIDERS

Rider I (continued)

$DS_{HPExp2}$  = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date, including but not limited to the following: (C)

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission charges identified in Rider J associated with the procurement of Hourly Pricing Default Service
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

$PTC_{HPRev}$  = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable  $E_{HP}$  rates.

$DS_{HPInt}$  = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)

$DS_{HPSales}$  = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the six-month billing period that the  $E_{HP}$  rate will be in effect.

(C) Change

RIDERS

Rider I (continued)

(C)

**Gross Receipts Tax:**

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

**General:**

Each change in the  $E_{HP}$  rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the  $E_{HP}$  rate shall be subject to annual review and audit by the Commission.

**Adjustment for Meter Location:**

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

**Metering:**

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 141

Superseding \_\_\_ Revised Page 141

RIDERS

Rider I (continued)

(C)

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RIDERS

RIDER J

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or dollar per kW NSPL, as applicable. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Initial Computational Period and thereafter, the DSS Computational Year, the DSS rates billed by Rate Schedule are as follows:

<u>Rate Schedule</u>	<u>DSS Rates</u>
Rate Schedule RS	X.XXX cents per kWh
Rate Schedule GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate	X.XXX cents per kWh
Rate Schedule GS - Small	X.XXX cents per kWh
Rate Schedule GS - Medium	X.XXX cents per kWh
Rate Schedule GS - Large	\$ X.XXX per kW NSPL
Rate Schedule GP	\$ X.XXX per kW NSPL
Rate Schedule TP	\$ X.XXX per kW NSPL
Rate Schedule MS	X.XXX cents per kWh
Rate Schedule OAL	X.XXX cents per kWh
Rate Schedule STLT	X.XXX cents per kWh
Rate Schedule LED	X.XXX cents per kWh
Rate Schedule BRD	X.XXX cents per kWh



RIDERS

Rider J (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS rate} = [\text{UE} + \text{NMB} + \text{RE} + \text{CEC} + \text{CB}] \times [1 / (1 - T)] \quad (\text{C})$$

The components of the formula are defined below:

**Default Service Related Uncollectibles**

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh, to be applied to DSS Sales delivered by the Company to residential and commercial Delivery Service Customers under this rider. The UE reflects the default service-related portion of the uncollectible account expense based on revenues in the Company's distribution base rate case and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 144

Superseding \_\_\_ Revised Page 144

RIDERS

Rider J (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

(C)

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

(C)

**Non-Market Based Services Transmission Charges**

$$\text{NMB} = (\text{NMB}_C - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB<sub>C</sub> = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include FERC approved costs for (i) PJM Regional Transmission Expansion Plan charges; (ii) PJM Expansion Cost Recovery; (iii) PJM charges for Reliability Must Run generating unit declarations and charges associated with plants deactivated after July 24, 2014, the approval date of the Company's Default Service Program at Docket No. P-2013-2391368; (iv) historical tie line, generation, and retail customer meter adjustments; (v) Unaccounted for Energy; (vi) any FERC-approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009; and (vii) any other FERC-approved PJM transmission charges billed to the Company by PJM that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

E = The over or under-collection of the NMB<sub>C</sub> that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The NMB charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

X.XXX cents per kWh

Residential Customer Class (Rate RS, Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

RIDERS

Rider J (continued)

**Retail Enhancements**

$$RE = [ (RE_C - E) / S ]$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.

RE<sub>C</sub> = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the RE<sub>C</sub> that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The RE rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS - Large, GP and Rate TP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

**Customer Education Charges**

$$CEC = (CEC_C - E) / S$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.

CEC<sub>C</sub> = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the CEC<sub>C</sub> that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CEC rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS - Large, GP and Rate TP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Issued:

Effective: June 1, 2023

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)  
\_\_\_\_ Revised Page 148A  
Superseding \_\_\_\_ Revised Page 148A

## RIDERS

Rider J (continued)

### **Clawback Charge Credit**

$$CB = CB_C / S$$

Where:

CB = The credit to be applied to Delivery Service Customers related to the clawback provision, under the Default Service Program, which is collected by the Company from Electric Generation Suppliers. This credit will be amortized for each applicable DSS Computational Year.

CB<sub>C</sub> = Clawback credits applied to each Customer Class eligible for the Company's POR to refund the clawback charges collected from Electric Generation Suppliers. The clawback charges are returned to customers when the Company's actual uncollectible expense was less than the amount of uncollectible expense recovered in base rates and the Default-Service Related Uncollectibles component of this Rider. CB will be applied to each Customer Class eligible for the Company's POR based upon each Customer Class's kWh.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CB rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

X.XXX cents per kWh

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

**Gross Receipts Tax**

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales - The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
2. DSS Computational Year - The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year - The 12-month period ending March 31 immediately preceding the DSS Computational Year.
4. DSS Initial Computational Period - the period from May 3, 2015 through May 31, 2015 that the DSS Rider is in effect. Thereafter, the DSS Computational Year will be in effect.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1<sup>st</sup> of each year, revised Rates to become effective on June 1<sup>st</sup> of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

Issued:

Effective: June 1, 2023



RIDERS

(C)

RIDER K

TIME-OF-USE DEFAULT SERVICE RIDER

**Availability**

Time-Of-Use (“TOU”) default service (“TOU<sub>Default</sub>”) is available under this Rider for Residential Customers, and Commercial Customers with demand less than 100 kW, including those served under Rider D, the Net Metering Rider, and are receiving Default Service from the Company, upon the terms and conditions set forth herein, that: (1) have had smart meters installed pursuant to the Company’s Smart Meter Technology Procurement and Installation Plan; (2) are not enrolled in the Company’s Customer Assistance Program, (3) are not enrolled in budget billing; (3) are not involved in virtual net metering; (4) have not elected to terminate service under Rider K, for any reason, within the last 12 months; and (5) affirmatively elect to receive service under this Rider and comply with its enrollment procedures.

**Rates**

Commercial TOU<sub>Default On-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 2.0558

Commercial TOU<sub>Default Super Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.5298

Commercial TOU<sub>Default Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.7277

Residential TOU<sub>Default On-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 2.0180

Residential TOU<sub>Default Super Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.5438

Residential TOU<sub>Default Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.7285

**On-Peak, Super Off-Peak, and Off- Peak Hours**

The rates for TOU default service are different for On-Peak, Super Off-Peak and Off-Peak hours during the year, and are billed on a service rendered basis, as shown below. All times listed below are prevailing time.

TOU Pricing Period	Included Time Periods	Commercial Rate Factor	Residential Rate Factor
On-Peak	2 PM - 9 PM Monday - Friday	2.0558	2.0180
Super Off-Peak	11 PM - 6 AM Monday - Friday	0.5298	0.5438
Off Peak	All Other Hours	0.7277	0.7285

(C) Change

RIDERS

(C)

Rider K (continued)

**TOU Default**

The TOU<sub>Default</sub> rates by Commercial or Residential Customer Class are based on the PTC<sub>Default</sub> rates, which will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>.

**Customer Switching**

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS. Customers may leave Rider K at any time without incurring fees or penalties. If a Customer elects to terminate service under Rider K for any reason, the Customer cannot re-enroll in Rider K for twelve billing months.

**Annual Review and Audit**

The application of TOU Default rates under this Rider shall be subject to annual review and audit by the Commission.

(C) Change

Issued:

Effective: June 1, 2023

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 152

Superseding \_\_\_ Revised Page 152

RIDERS

Rider K (continued)

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(C) Change

Issued:

Effective: June 1, 2023

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 169

Superseding \_\_\_ Revised Page 169

RIDERS

(C)

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(C) Change

Issued:

Effective: June 1, 2023

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 170

Superseding \_\_\_ Revised Page 170

RIDERS

(C)

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(C) Change

Issued:

Effective: June 1, 2023

METROPOLITAN EDISON COMPANY

Electric Pa P.U.C. No. 52 (Supp. X)

\_\_\_ Revised Page 171

Superseding \_\_\_ Revised Page 171

RIDERS

(C)

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(C) Change

Issued:

Effective: June 1, 2023

**EXHIBIT D-2**

**REVISED PENNSYLVANIA ELECTRIC COMPANY  
ELECTRIC SERVICE TARIFF  
(RELEVANT PAGES)**

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 7

Superseding \_\_\_ Revised Page 7

TABLE OF CONTENTS (continued)	Page No.	
Rider I - Hourly Pricing Default Service Rider	143-148	
Rider J - Default Service Support Rider	149-156	
Rider K - Time-of-Use Default Service Rider	157-159	
Rider L - Partial Services Rider	160-165	
Rider M - Cogeneration & Small Power Production Qualifying Facility Service Rider	166-169	
Rider N - Solar Photovoltaic Requirements Charge Rider	170-174	
Rider O - Grandfathered Advanced Meters, Meter-Related Devices or Networks Rider	175	
Rider P - These pages are intentionally left blank	176-178	(C)
Rider Q - Renewable Energy Development Rider	179-181	
Rider R - Distribution System Improvement Charge Rider	182-185	

(C) Change

Issued:

Effective: June 1, 2023



## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

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

**Energy Charge** - A charge based upon kilowatt-hours of use.

**Energy Efficiency and Conservation Charge** - A reconcilable, non-by-passable charge applied to each Billing Unit during a billing month to Delivery Service Customers, with the exception of those served under Borderline Service, pursuant to the terms of the Phase III Energy Efficiency and Conservation Rider.

**FERC** - The Federal Energy Regulatory Commission

**Generating Facility** - Any equipment and/or facility that is electrically interconnected to the Company and is (i) capable of generating electrical energy for delivery into the PJM control area and (ii) is located on a single site within the Company's service territory. A single site with multiple generating units, each owned by a single entity, shall constitute one Generating Facility. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generating Facility if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

**Hertz** - A unit of frequency, equal to one cycle per second.

**Horsepower (HP)** - Unit of mechanical power representing rate of consumption of power and equivalent to 746 watts. As used herein, horsepower is computed as the equivalent of 750 watts.

**Hourly Pricing Service Charges** - For Customers served under Rate Schedules GS-Medium (HP), GS-Large, GP, LP, as well as GS-Small and GS-Medium (PTC) Customers that elect this rate, the charges representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market-based transmission, and ancillary services for Default Service Customers.

(C)

(C) Change

## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

**Non-Summer** – The calendar months of October through May.

**On-Peak Hours** - The On-Peak Hours shall be from 8:00 a.m. to 8:00 p.m., prevailing times, Monday through Friday excluding holidays. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak Hours are subject to change from time to time by the Company after giving notice of such changes to Customers.

**Permanent Residential Customer** - A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

**PJM** - PJM Interconnection, L.L.C. or any successor organization/entity thereto.

**Point of Delivery** - The location at which the Company service connection terminates and the Customer's wiring and installation begins.

**Power Factor** - The ratio of the watts to the volt-amperes.

**Price to Compare Default Service Charge** – The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market-based transmission and ancillary services for Customers who take Default Service.

**Primary Voltage** - Voltage greater than 600 volts.

**Private Right-of-Way** - The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

(C) Change

Issued:

Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 63

Superseding \_\_\_ Revised Page 63

RATE SCHEDULES

RATE RS  
RESIDENTIAL SERVICE RATE

AVAILABILITY:

This Rate is available to Residential Customers using the Company's standard, single phase service through a single meter including not more than 2,000 watts of non-residential connected load served through the same meter.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$11.25 per month (Customer Charge), plus

6.074 cents per kWh for all kWh

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider C – Universal Service Cost Charge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

Issued:

Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 65

Superseding \_\_\_ Revised Page 65

## RATE SCHEDULES

### RATE GS - VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE SERVICE, RESCUE SQUAD AND SENIOR CENTER SERVICE RATE

#### AVAILABILITY:

This Rate Schedule is restricted to Volunteer Fire Companies, Non-Profit Ambulance Services, Non-Profit Rescue Squads and Non-Profit Senior Citizen Centers that sign a one (1) year contract.

All of the following general monthly charges are applicable to Delivery Service Customers:

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$11.25 per month (Customer Charge), plus

6.074 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider C – Universal Service Cost Charge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

#### DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

(C) Change

Issued:

Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 67

Superseding \_\_\_ Revised Page 67

**RATE GS-SMALL  
GENERAL SERVICE SECONDARY RATE – NON-DEMAND METERED**

**AVAILABILITY:**

Available to non-Residential Customers without demand meters that use electric service through a single delivery location for lighting, heating and/or power service. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

If an existing Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months in the most recent twelve-month period, the Customer shall no longer be eligible for service under this Rate Schedule GS-Small. Based upon the Company's then estimate of the Customer's new demand, the Customer shall be placed on Rate Schedule GS-Medium or such other Rate Schedule for which such Customer most qualifies.

All of the following general monthly charges are applicable to Delivery Service Customers:

**GENERAL MONTHLY CHARGES:**

**Distribution Charge**

\$18.33 per month for single phase (Customer Charge), plus

3.624 cents per kWh for all kWh

**RIDERS**

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

Issued:

Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 70

Superseding \_\_\_ Revised Page 70

## RATE SCHEDULES

Rate GS-Medium (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

For Rate Schedule GS-Medium (PTC) Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I – Hourly Pricing Default Service Rider. For Rate Schedule GS-Medium (HP) Customers receiving Default Service from the Company, Rider I - Hourly Pricing Default Service Rider rates apply.

### DETERMINATION OF RATE SCHEDULE GS-MEDIUM (PTC) AND GS-MEDIUM (HP):

Rate Schedule GS-Medium (PTC): Customers receiving service under this Rate Schedule with a kW Demand less than 100 kW.

Rate Schedule GS-Medium (HP): Customers receiving service under this Rate Schedule with a kW Demand equal to or greater than 100 kW.

The Customer's demand used for the determination of the default service rider that the customer should be billed under if receiving Default Service from the Company shall be determined as follows: Effective June 1<sup>st</sup> of each year, a review of the measured demand for the period April 1<sup>st</sup> of the preceding year to March 31<sup>st</sup> of the current year will be conducted. Based on the review, if the measured demand in any twelve months is less than 100 kW, then the Customer shall receive Default Service under the provisions of Rider H – Price to Compare Default Service Rate Rider. Otherwise, the Customer will receive Default Service under the provisions of Rider I – Hourly Pricing Default Service Rider.

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 73

Superseding \_\_\_ Revised Page 73

## RATE SCHEDULES

### RATE GS-LARGE GENERAL SERVICE SECONDARY

#### AVAILABILITY:

This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 kW in two (2) consecutive months in the most recent twelve-month period. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers.

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

\$204.79 per month (Customer Charge), plus  
\$6.68 per kW for all billed kW

\$0.19 for each rkVA of reactive billing demand

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 77

Superseding \_\_\_ Revised Page 77

## RATE SCHEDULES

Rate GP (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 81

Superseding \_\_\_ Revised Page 81

## RATE SCHEDULES

Rate LP (continued)

General Service purposes at Primary Voltages for loads in excess of 3,000 KW.

Minimum billing demand shall not be less than 3,000 KW.

All of the following general monthly charges are applicable to Delivery Service Customers.

### GENERAL MONTHLY CHARGES:

#### **Distribution Charge**

\$3,413.98 per month (Customer Charge), plus

\$1.86 per kW for all billed kW

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 86

Superseding \_\_\_ Revised Page 86

RATE SCHEDULES

RATE H

ALL ELECTRIC SCHOOL, CHURCH AND HOSPITAL RATE

AVAILABILITY (RESTRICTED):

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE MARCH 29, 1971.

All of the following general monthly charges are applicable to Delivery Service Customers.

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$35.13 per month (Customer Charge), plus  
3.312 cents per kWh for all kWh

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

Issued:

Effective: June 1, 2023

## SERVICES

### BORDERLINE SERVICE

#### AVAILABILITY:

Borderline Service is available to public utility companies for resale in adjacent service territory to the Company under reciprocal agreements between the Company and other public utility companies, subject to the following conditions:

- A. A request shall be made in writing for each point of supply where service is desired.
- B. Borderline service may be supplied in the Company's sole and exclusive discretion when it has available adequate capacity to serve the requested location(s).
- C. When such service is supplied, energy shall be supplied at sixty (60) cycle alternating current, at such potential and of such phase as may be mutually agreed upon.

All of the following general monthly charges are applicable to Delivery Service Customers.

#### GENERAL MONTHLY CHARGES:

##### **Distribution Charge**

5.038 cents per kWh for all kWh

#### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 91

Superseding \_\_\_ Revised Page 91

## SERVICES

High Pressure Sodium Vapor Street Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

The Price to Compare Default Service Charge shall be determined using the applicable monthly kWh usage, from the preceding chart, multiplied by the Price to Compare Default Service Rate Rider, Rider H - Commercial Customer Class rate.

### TERMS OF PAYMENT:

As per Rule 11, Payment of Bills.

### TERM OF CONTRACT:

Not less than five (5) years.

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 95

Superseding \_\_\_ Revised Page 95

SERVICES

Municipal Street Lighting Service (continued)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 97

Superseding \_\_\_ Revised Page 97

SERVICES

Municipal Street Lighting Service (continued)

Mercury Vapor Floodlight Units:

Nominal Lamp Ratings

Wood Pole

<u>Initial Lumens</u>	<u>Watts</u>	<u>kWh Per Month</u>	<u>Distribution</u>
21,500	400	174	\$13.28
60,000	1,000	420	\$15.95

Fabricated Pole

<u>Initial Lumens</u>	<u>Watts</u>	<u>kWh Per Month</u>	<u>Distribution</u>
21,500	400	174	\$33.07

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider B – Tax Cuts and Jobs Act Voluntary Surcharge
- Rider F – Energy Efficiency and Conservation Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider R – Distribution System Improvement Charge

(C)

DEFAULT SERVICE CHARGES:

The Price to Compare Default Service Charge shall be determined using the applicable monthly kWh usage, from the preceding chart, multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

TERMS OF PAYMENT:

As per Rule 11, Payment of Bills

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 104

Superseding \_\_\_ Revised Page 104

## SERVICES

LED Street Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

### DEFAULT SERVICE CHARGES:

For customers receiving Default Service the Price to Compare Default Service Charge shall be determined using the applicable monthly kWh usage multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills

### TERM OF CONTRACT:

Provision of this Service requires a contract with the Company. The initial term of contract shall be not less than ten (10) years, subject to renewal for successive one (1) year terms, unless other terms shall be provided in the contract. When replacement of existing lighting is requested by the Customer of an existing luminaire during the initial ten (10) year term, the Customer shall pay the cost of removal in addition to an amount representative of the depreciable life of the fixture for the remainder of the term (to be determined by the Company).

### GENERAL PROVISIONS:

- A. The Company shall furnish, install, and maintain at the above rates all necessary street lighting facilities consisting of but not limited to lamps, luminaries, brackets, and other supporting materials.
- B. The Company will install lighting fixtures on an approved existing pole. All additional and new lighting equipment, consisting of but not limited to poles, brackets, wiring, transformation, etc., not provided for herein, and installed by the Company at the request of the customer, shall be the property of the Company and be paid for by the customer prior to the customer taking service.

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 106

Superseding \_\_\_ Revised Page 106

SERVICES

OUTDOOR AREA LIGHTING SERVICE

THIS SERVICE SHALL BE FURTHER RESTRICTED TO EXISTING CUSTOMERS AT EXISTING LOCATIONS AS OF AUGUST 1, 2012.

Dusk to dawn outdoor lighting of private areas and roadways.

NET RATE PER MONTH:

<u>Type of Lamp</u>	<u>Nominal Lamp Rating</u>	<u>kWh Per Month</u>	<u>Distribution</u>
High Pressure Sodium Vapor	70 watts	29	\$19.38
	100 watts	50	\$19.46
	150 watts	65	\$23.96
	200 watts	80	\$28.45

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 111

Superseding \_\_\_ Revised Page 111

## SERVICES

Outdoor Area Lighting Service (continued)

### RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider B – Tax Cuts and Jobs Act Voluntary Surcharge

Rider F – Energy Efficiency and Conservation Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider R – Distribution System Improvement Charge

(C)

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider D (continued)

3. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the distribution system, then through the remaining meters for the customer-generator's account equally at each meter's designated rate. Virtual meter aggregation is the combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the Company's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. The customer-generators are responsible for the distribution charge, demand charge and other applicable charges under the applicable Rate Schedule.
  
4. If a net metering Customer served on Rate GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate, GS-Small, GS-Medium, GS-Large, GP, LP and H generates electricity such that the self-generation results in a 10% or more reduction in the customer's purchase of electricity through the Company's transmission and distribution network for any calendar year when compared to the calendar year immediately prior to the installation of the generation, the net metering Customer shall be responsible for its share of stranded costs to prevent interclass or intraclass cost shifting. (C)

APPLICATION:

Customer-generators seeking to receive service under the provisions of this Rider must submit a written application to the Company demonstrating compliance with the Net Metering Rider provisions and quantifying the total rated generating capacity of the customer-generator facility.

(C) Change

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 136

Superseding \_\_\_ Revised Page 136

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC<sub>Default</sub> rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2023 through November 30, 2023 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium (PTC), Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service and Outdoor Lighting Service):

\$X.XXXXX per kWh.

Residential Customer Class (Rate RS and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXX per kWh

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

(C)

The PTC<sub>Default</sub> rates by Commercial or Residential Customer Class will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six month period ending September 30<sup>th</sup> to be effective for the six month period beginning December 1<sup>st</sup>. The PTC<sub>Default</sub> rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC \text{ LOSS}_{Current}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

Where:

PTC<sub>Current</sub> = The current cost component of the PTC<sub>Default</sub> rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC<sub>Current</sub> component of the PTC<sub>Default</sub> rate by Commercial or Residential Customer Class will use the following procedures:

(C)

PTC<sub>Current Cost Component</sub> = The current cost component of the PTC<sub>Default</sub> rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load, and any PJM charges related to the provision of Default Service.

(C) Change

RIDERS

Rider H (continued)

$PTC_{Loss_{Current}}$  = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

<b>Customer Class</b>	<b>Loss Factor</b>
Commercial Customer Class	1.0573
Residential Customer Class	1.0573

$PTC_{Adm}$  = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

$PTC_{NITS}$  = When the Company purchases Network Integration Transmission Service from PJM on behalf of customers, a Network Integration Transmission Service Charge for Default Service, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

RIDERS

Rider H (continued)

DS<sub>Exp1</sub> = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027, including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan for Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs incurred to implement the Time-of-Use Rider

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

DS<sub>Exp2</sub> = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class for the six-month period ending two months prior to the effective date, including but not limited to the following:

(C) Change

RIDERS

Rider H (continued)

(C)

- Payments made to winning bidders
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in Rider J, and ancillary services associated with the acquisition of default service supply.
- All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
- The cost of credit when the Company is considered by PJM to be the load serving entity
- Any cost incurred by the Company associated with any Commission-approved solar power purchase agreements and the administration of the Company's long-term solar procurement, including the costs associated with spot purchases to satisfy a fixed quantity of default service load. These costs will be recovered from the customers in the applicable procurement classes receiving an allocation of the solar energy and/or the SPAECs procured.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

- PTC<sub>Rev</sub> = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed under the respective Customer Class PTC<sub>Default</sub> rates. (C)
- DS<sub>Int</sub> = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)
- DS<sub>Sales</sub> = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the six-month billing period that the E rate component of the PTC<sub>Default</sub> rate will be in effect. (C)
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Each change in the PTC<sub>Default</sub> rates will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised PTC<sub>Default</sub> rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the PTC<sub>Default</sub> rates shall be subject to annual review and audit by the Commission.

(C) Change



PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 142

Superseding \_\_\_ Revised Page 142

RIDERS

Rider H (continued)

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Issued:

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RIDERS

RIDER I

HOURLY PRICING DEFAULT SERVICE RIDER

**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Medium (HP), GS-Large, GP, and LP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All GS-Small and GS-Medium (PTC) Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

**Hourly Pricing Service Charges:**

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

**HP Energy Charge per kWh:**

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone

HP<sub>Oth</sub> = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 144

Superseding \_\_\_ Revised Page 144

RIDERS

Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0573
	GS-Medium	1.0573
	GS-Large	1.0573
	GP	1.0234
	LP	1.0035

These HP Loss Multipliers exclude transmission losses.

**HP Cap-AEPS-Other Charge:**

(C)

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers.

**HP Administrative Charge:**

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$X.XXXXX per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“E<sub>HP</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one- thousandth of a cent per kWh. The E<sub>HP</sub> rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

(C)

For service rendered June 1, 2023 through November 30, 2023, the E<sub>HP</sub> rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

(C) Change

Issued:

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RIDERS

Rider I (continued)

(C)

The  $E_{HP}$  rate will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six month period ending September 30<sup>th</sup> to be effective for the six month period beginning December 1<sup>st</sup>. The  $E_{HP}$  rate shall be calculated in accordance with the formula set forth below:

(C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

Where:

$E_{HP}$  = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

(C)

$DS_{HPExp1}$  = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

(C) Change

RIDERS

Rider I (continued)

$DS_{HPExp2}$  = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date, including but not limited to the following:

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission charges identified in Rider J associated with the procurement of Hourly Pricing Default Service
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

$PTC_{HPRev}$  = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable  $E_{HP}$  rates.

$DS_{HPInt}$  = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

$DS_{HPSales}$  = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the six-month billing period that the  $E_{HP}$  rate will be in effect.

(C) Change

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 147

Superseding \_\_\_ Revised Page 147

RIDERS

Rider I (continued)

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Issued:

Effective: June 1, 2023

## RIDERS

### Rider I (continued)

#### **General:**

Each change in the  $E_{HP}$  rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the  $E_{HP}$  rate shall be subject to annual review and audit by the Commission.

#### **Adjustment for Meter Location:**

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

#### **Metering:**

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

RIDERS

RIDER J

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or dollar per kW NSPL, as applicable. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Initial Computational Period and thereafter, the DSS Computational Year, the DSS rates billed by Rate Schedule are as follows:

<u>Rate Schedule</u>	<u>DSS Rates</u>
Rate Schedule RS	X.XXX cents per kWh
Rate Schedule GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate	X.XXX cents per kWh
Rate Schedule GS - Small	X.XXX cents per kWh
Rate Schedule GS - Medium	X.XXX cents per kWh
Rate Schedule H	X.XXX cents per kWh
Rate Schedule BRD	X.XXX cents per kWh
Rate Schedule LED	X.XXX cents per kWh
Rate Schedule Street Lighting	X.XXX cents per kWh
Rate Schedule Municipal Street Lighting	X.XXX cents per kWh
Rate Schedule OAL	X.XXX cents per kWh
Rate Schedule GS - Large	\$ X.XXX per kW NSPL
Rate Schedule GP	\$ X.XXX per kW NSPL
Rate Schedule LP	\$ X.XXX per kW NSPL



RIDERS

Rider J (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS rate} = [\text{UE} + \text{NMB} + \text{RE} + \text{CEC} + \text{CB}] \times [1 / (1 - \text{T})] \quad (\text{C})$$

The components of the formula are defined below:

**Default Service Related Uncollectibles**

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh, to be applied to DSS Sales delivered by the Company to residential and commercial Delivery Service Customers under this rider. The UE reflects the default service-related portion of the uncollectible account expense based on revenues in the Company's distribution base rate case and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C) Change

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 151

Superseding \_\_\_ Revised Page 151

RIDERS

Rider J (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

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(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

**Non-Market Based Services Transmission Charges**

$$\text{NMB} = (\text{NMB}_C - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB<sub>C</sub> = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include FERC approved costs for (i) PJM Regional Transmission Expansion Plan charges; (ii) PJM Expansion Cost Recovery; (iii) PJM charges for Reliability Must Run generating unit declarations and charges associated with plants deactivated after July 24, 2014, the approval date of the Company's Default Service Program at Docket No. P-2013-2391368; (iv) historical tie line, generation, and retail customer meter adjustments; (v) Unaccounted for Energy; (vi) any FERC-approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009; and (vii) any other FERC-approved PJM transmission charges billed to the Company by PJM that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.

E = The over or under-collection of the NMB<sub>C</sub> that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 153

Superseding \_\_\_ Revised Page 153

RIDERS

Rider J (continued)

The NMB charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate LP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

X.XXX cents per kWh

Residential Customer Class (Rate RS, Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Issued:

Effective: June 1, 2023

RIDERS

Rider J (continued)

**Retail Enhancements**

$$RE = [ (RE_C - E) / S ]$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.

RE<sub>C</sub> = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the RE<sub>C</sub> that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The RE rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS - Large, GP and Rate LP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

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RIDERS

Rider J (continued)

**Customer Education Charges**

$$CEC = (CEC_C - E) / S$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.

CEC<sub>C</sub> = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the CEC<sub>C</sub> that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CEC rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS - Large, GP and Rate LP):

\$X.XXX per kW NSPL

Commercial Customer Class (Rate GS-Small):

X.XXX cents per kWh

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Issued:

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 155A

Superseding \_\_\_ Revised Page 155A

## RIDERS

Rider J (continued)

### **Clawback Charge Credit**

$$CB = CB_C / S$$

Where:

CB = The credit to be applied to Delivery Service Customers related to the clawback provision, under the Default Service Program, which is collected by the Company from Electric Generation Suppliers. This credit will be amortized for each applicable DSS Computational Year.

CB<sub>C</sub> = Clawback credits applied to each Customer Class eligible for the Company's POR to refund the clawback charges collected from Electric Generation Suppliers. The clawback charges are returned to customers when the Company's actual uncollectible expense was less than the amount of uncollectible expense recovered in base rates and the Default-Service Related Uncollectibles component of this Rider. CB will be applied to each Customer Class eligible for the Company's POR based upon each Customer Class's kWh.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CB rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class (Rate RS and Rate GS - Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

X.XXX cents per kWh

Issued:

Effective: June 1, 2023

## RIDERS

Rider J (continued)

### **Gross Receipts Tax**

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales - The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
2. DSS Computational Year - The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year - The 12-month period ending March 31 immediately preceding the DSS Computational Year.
4. DSS Initial Computational Period - the period from May 3, 2015 through May 31, 2015 that the DSS Rider is in effect. Thereafter, the DSS Computational Year will be in effect.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1<sup>st</sup> of each year, revised Rates to become effective on June 1<sup>st</sup> of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

Issued:

Effective: June 1, 2023



RIDERS

(C)

RIDER K

TIME-OF-USE DEFAULT SERVICE RIDER

**Availability**

Time-Of-Use (“TOU”) default service (“TOU<sub>Default</sub>”) is available under this Rider for Residential Customers, and Commercial Customers with demand less than 100 kW, including those served under Rider D, the Net Metering Rider, and are receiving Default Service from the Company, upon the terms and conditions set forth herein, that: (1) have had smart meters installed pursuant to the Company’s Smart Meter Technology Procurement and Installation Plan; (2) are not enrolled in the Company’s Customer Assistance Program, (3) are not enrolled in budget billing; (3) are not involved in virtual net metering; (4) have not elected to terminate service under Rider K, for any reason, within the last 12 months; and (5) affirmatively elect to receive service under this Rider and comply with its enrollment procedures.

**Rates**

Commercial TOU<sub>Default On-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 1.9352

Commercial TOU<sub>Default Super Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.5582

Commercial TOU<sub>Default Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.7686

Residential TOU<sub>Default On-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 1.9367

Residential TOU<sub>Default Super Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.5669

Residential TOU<sub>Default Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.7633

**On-Peak, Super Off-Peak, and Off- Peak Hours**

The rates for TOU default service are different for On-Peak, Super Off-Peak and Off-Peak hours during the year, and are billed on a service rendered basis, as shown below. All times listed below are prevailing time.

TOU Pricing Period	Included Time Periods	Commercial Rate Factor	Residential Rate Factor
On-Peak	2 PM - 9 PM Monday - Friday	1.9532	1.9367
Super Off-Peak	11 PM - 6 AM Monday - Friday	0.5582	0.5669
Off Peak	All Other Hours	0.7686	0.7633

(C) Change

## RIDERS

Rider K (continued)

(C)

### **TOU Default**

The TOU<sub>Default</sub> rates by Commercial or Residential Customer Class are based on the PTC<sub>Default</sub> rates, which will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>.

### **Customer Switching**

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS. Customers may leave Rider K at any time without incurring fees or penalties. If a Customer elects to terminate service under Rider K for any reason, the Customer cannot re-enroll in Rider K for twelve billing months.

### **Annual Review and Audit**

The application of TOU Default rates under this Rider shall be subject to annual review and audit by the Commission.

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Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 159

Superseding \_\_\_ Revised Page 159

RIDERS

Rider K (continued)

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Issued:

Effective: June 1, 2023

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 176

Superseding \_\_\_ Revised Page 176

RIDERS

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Issued:

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 177

Superseding \_\_\_ Revised Page 177

RIDERS

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Issued:

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PENNSYLVANIA ELECTRIC COMPANY

Electric Pa P.U.C. No. 81 (Supp. X)

\_\_\_ Revised Page 178

Superseding \_\_\_ Revised Page 178

RIDERS

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(C) Change

Issued:

Effective: June 1, 2023

**EXHIBIT D-3**

**REVISED PENNSYLVANIA POWER COMPANY  
ELECTRIC SERVICE TARIFF  
(RELEVANT PAGES)**

## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

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

**Energy Charge** - A charge based upon kilowatt-hours of use.

**Energy Efficiency and Conservation Charge** - A reconcilable, non-by-passable charge applied to each Billing Unit during a billing month to Delivery Service Customers, pursuant to the terms of the Phase III Energy Efficiency and Conservation Rider.

**FERC** - The Federal Energy Regulatory Commission

**Generating Facility** - Any equipment and/or facility that is electrically interconnected to the Company and is (i) capable of generating electrical energy for delivery into the PJM control area and (ii) is located on a single site within the Company's service territory. A single site with multiple generating units, each owned by a single entity, shall constitute one Generating Facility. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generating Facility if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

**Hertz** - A unit of frequency, equal to one cycle per second.

**Horsepower (HP)** - Unit of mechanical power representing rate of consumption of power and equivalent to 746 watts. As used herein, horsepower is computed as the equivalent of 750 watts.

**Hourly Pricing Service Charges** - For Customers served under Rate Schedules GM (HP), GS-Large, GP, GT, GS-Special Rule GSDS, GS-Small (on a voluntary basis), and GM (PTC) (on a voluntary basis). Customers that elect this rate, the charges representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market based transmission, and ancillary services for Default Service Customers. (C)

(C) Change

Issued:

Effective: June 1, 2023



## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

**Non-Summer** – The calendar months of October through May.

**On-Peak Hours** – The On-Peak hours shall be from 8:00 a.m. to 9:00 p.m., prevailing times, Monday through Friday excluding holidays. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are subject to change from time to time by the Company after giving notice of such changes to Customers.

**Permanent Residential Customer** – A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

**PJM** – PJM Interconnection, L.L.C. or any successor organization/entity thereto.

**Point of Delivery** – The location at which the Company service connection terminates and the Customer's wiring and installation begins.

**Power Factor** – The ratio of the watts to the volt-amperes.

**Price to Compare Default Service Charge** – The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market based transmission and ancillary services for Customers who take Default Service.

(C)

**Primary Voltage** – Voltage greater than 600 volts but less than 23,000 volts.

**Private Right-of-Way** – The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

(C) Change

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PENNSYLVANIA POWER COMPANY

Electric Pa P.U.C. No. 36 (Supp. X)

\_\_\_ Revised Page 123

Superseding \_\_\_ Revised Page 123

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC<sub>Default</sub> rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2023 through November 30, 2023 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS (excluding Special Rate GSDS), Rate GM (PTC), Rate PNP, PLS, SV, SVD, and LED): (C)

\$X.XXXXX per kWh.

Residential Customer Class (Rate RS and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXX per kWh

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

(C)

The PTC<sub>Default</sub> rates by Commercial or Residential Customer Class will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The PTC<sub>Default</sub> rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

Where:

PTC<sub>Current</sub> = The current cost component of the PTC<sub>Default</sub> rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC<sub>Current</sub> component of the PTC<sub>Default</sub> rate by Commercial or Residential Customer Class will use the following procedures:

(C)

PTC<sub>Current Cost Component</sub> = The current cost component of the PTC<sub>Default</sub> rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load, and any PJM charges related to the provision of Default Service.

(C) Change

RIDERS

Rider H (continued)

$PTC_{Loss_{Current}}$  = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

<b>Customer Class</b>	<b>Loss Factor</b>
Commercial Customer Class	1.0661
Residential Customer Class	1.0661

$PTC_{Adm}$  = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

$PTC_{NITS}$  = When the Company purchases Network Integration Transmission Service from PJM on behalf of customers, a Network Integration Transmission Service Charge for Default Service, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

RIDERS

Rider H (continued)

DS<sub>Exp1</sub> = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027, including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan for Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs incurred to implement the Time-of-Use Rider

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

DS<sub>Exp2</sub> = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class for the six-month period ending two months prior to the effective date, including but not limited to the following:

(C) Change

RIDERS

Rider H (continued)

(C)

- Payments made to winning bidders
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in Rider J, and ancillary services associated with the acquisition of default service supply.
- All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
- The cost of credit when the Company is considered by PJM to be the load serving entity
- Any cost incurred by the Company associated with any Commission-approved solar power purchase agreements and the administration of the Company's long-term solar procurement, including the costs associated with spot purchases to satisfy a fixed quantity of default service load. These costs will be recovered from the customers in the applicable procurement classes receiving an allocation of the solar energy and/or the SPAECs procured.

(C) Change

RIDERS

Rider H (continued)

- PTC<sub>Rev</sub> = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed under the respective Customer Class PTC<sub>Default</sub> rates. (C)
- DS<sub>Int</sub> = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)
- DS<sub>Sales</sub> = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the six-month billing period that the E rate component of the PTC<sub>Default</sub> rate will be in effect. (C)
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Each change in the PTC<sub>Default</sub> rates will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised PTC<sub>Default</sub> rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the PTC<sub>Default</sub> rates shall be subject to annual review and audit by the Commission.

(C) Change

PENNSYLVANIA POWER COMPANY

Electric Pa P.U.C. No. 36 (Supp. X)

\_\_\_ Revised Page 129

Superseding \_\_\_ Revised Page 129

RIDERS

Rider H (continued)

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(C) Change

Issued:

Effective: June 1, 2023



RIDERS

RIDER I

HOURLY PRICING DEFAULT SERVICE RIDER

**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers on Rate Schedules GM (HP), GS-Large, GP, and GT or GS if such GS Customers also are under Special Rule GSDS. These charges are also applicable to Customers on Rate Schedules GS and GM (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All GS and GM (PTC) Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

**Hourly Pricing Service Charges:**

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

**HP Energy Charge per kWh:**

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone.

HP<sub>Oth</sub> = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

RIDERS

Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0515
	GS-Medium	1.0515
	GS-Large	1.0515
	GP	1.0171
	GT	1.0007

These HP Loss Multipliers exclude transmission losses.

**HP Cap-AEPS-Other Charge:**

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. (C)

**HP Administrative Charge:**

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$X.XXXXX per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“E<sub>HP</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one- thousandth of a cent per kWh. The E<sub>HP</sub> rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2023 through November 30, 2023, the E<sub>HP</sub> rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider I (continued)

The  $E_{HP}$  rate will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>, and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The  $E_{HP}$  rate shall be calculated in accordance with the formula set forth below:

(C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

(C)

Where:

$E_{HP}$  = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

$DS_{HPExp1}$  = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan including legal, customer notice, and consultant fees.

(C)

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

(C) Change

RIDERS

Rider I (continued)

$DS_{HPExp2}$  = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date, including but not limited to the following: (C)

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission charges identified in Rider J associated with the procurement of Hourly Pricing Default Service
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

$PTC_{HPRev}$  = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable  $E_{HP}$  rates.

$DS_{HPInt}$  = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)

$DS_{HPSales}$  = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the six-month billing period that the  $E_{HP}$  rate will be in effect. (C)

(C) Change

RIDERS

Rider I (continued)

(C)

**Gross Receipts Tax:**

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

**General:**

Each change in the  $E_{HP}$  rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the  $E_{HP}$  rate shall be subject to annual review and audit by the Commission.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

(C)

RIDER K

TIME-OF-USE DEFAULT SERVICE RIDER

**Availability**

Time-Of-Use (“TOU”) default service (“TOU<sub>Default</sub>”) is available under this Rider for Residential Customers, and Commercial Customers with demand less than 100 kW, including those served under Rider D, the Net Metering Rider, and are receiving Default Service from the Company, upon the terms and conditions set forth herein, that: (1) have had smart meters installed pursuant to the Company’s Smart Meter Technology Procurement and Installation Plan; (2) are not enrolled in the Company’s Customer Assistance Program, (3) are not enrolled in budget billing; (3) are not involved in virtual net metering; (4) have not elected to terminate service under Rider K, for any reason, within the last 12 months; and (5) affirmatively elect to receive service under this Rider and comply with its enrollment procedures.

**Rates**

Commercial TOU<sub>Default On-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 2.0271

Commercial TOU<sub>Default Super Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.5202

Commercial TOU<sub>Default Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.7409

Residential TOU<sub>Default On-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 2.0140

Residential TOU<sub>Default Super Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.5331

Residential TOU<sub>Default Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.7377

**On-Peak, Super Off-Peak, and Off- Peak Hours**

The rates for TOU default service are different for On-Peak, Super Off-Peak and Off-Peak hours during the year, and are billed on a service rendered basis, as shown below. All times listed below are prevailing time.

TOU Pricing Period	Included Time Periods	Commercial Rate Factor	Residential Rate Factor
On-Peak	2 PM - 9 PM Monday - Friday	2.0271	2.0140
Super Off-Peak	11 PM - 6 AM Monday - Friday	0.5202	0.5331
Off Peak	All Other Hours	0.7409	0.7377

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

(C)

Rider K (continued)

**TOU Default**

The TOU<sub>Default</sub> rates by Commercial or Residential Customer Class are based on the PTC<sub>Default</sub> rates, which will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>.

**Customer Switching**

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS. Customers may leave Rider K at any time without incurring fees or penalties. If a Customer elects to terminate service under Rider K for any reason, the Customer cannot re-enroll in Rider K for twelve billing months.

**Annual Review and Audit**

The application of TOU Default rates under this Rider shall be subject to annual review and audit by the Commission.

(C) Change

Issued:

Effective: June 1, 2023

PENNSYLVANIA POWER COMPANY

Electric Pa P.U.C. No. 36 (Supp. X)

\_\_\_ Revised Page 145

Superseding \_\_\_ Revised Page 145

RIDERS

Rider K (continued)

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Issued:

Effective: June 1, 2023



**EXHIBIT D-4**

**REVISED WEST PENN POWER COMPANY  
ELECTRIC SERVICE TARIFF NOS. 38 AND 40  
(RELEVANT PAGES)**

WEST PENN POWER COMPANY

Electric-Pa P. U. C. No. 38 (Supp. X)  
 \_\_\_ Revised Page 22  
 Superseding \_\_\_ Revised Page 22

RIDERS

RIDER I  
 HOURLY PRICING DEFAULT SERVICE RIDER

**AVAILABILITY:**

(C)

The charges billed under this rider are applicable to all Customers on Rate Schedules 30 (HP), 35, 40, 44, and 46 who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules 20, and 30 (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

Rate Schedules 20 and 30 (PTC) Customers electing service under this rider must have smart meter technology installed as part of the Company's smart meter plan filed with and approved by the Commission.

**Hourly Pricing Service Charges:**

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

**HP Energy Charge per kWh:**

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone.

HP<sub>Oth</sub> = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

HP<sub>Loss Multipliers</sub> = 1.0356

(C) Change

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 38 (Supp. X)

\_\_ Revised Page 23

Superseding \_\_ Revised Page 23

RIDERS

Rider I (continued)

**HP Cap-AEPS-Other Charge:**

\$X.XXXXX per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the  $HP_{Loss\ Multipliers}$ . This charge is subject to quarterly adjustments.

**HP Administrative Charge:**

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$X.XXXXX per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“ $E_{HP}$ ”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The  $E_{HP}$  rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider and shall be calculated and applied equally to Customers under this rider. (C)

For service rendered June 1, 2023 through November 30, 2023, the  $E_{HP}$  rate is as follows:

HP Reconciliation Charge Rate = X.XXXXX per kWh (C)

The  $E_{HP}$  rate will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The  $E_{HP}$  rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

Where:

$E_{HP}$  = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

(C) Change

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 38 (Supp. X)  
\_\_ Revised Page 24  
Superseding \_\_ Revised Page 24  
RIDERS

Rider I (continued)

DS<sub>HPExp1</sub> = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027 including but not limited to: (C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan including legal, customer notice, and consultant fees

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount. (C)

DS<sub>HPExp2</sub> = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date including but not limited to the following: (C)

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission Charges identified in Rider J associated with the procurement of Hourly Pricing
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

(C) Change

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 38 (Supp. X)

\_\_ Revised Page 25

Superseding \_\_ Revised Page 25

## RIDERS

### Rider I (continued)

- $PTC_{HPRev} =$  The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable  $E_{HP}$  rates. (C)
- $DS_{HPInt} =$  The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)
- $DS_{HPSales} =$  The Company's projected Hourly Pricing Default Service kWh sales to retail Customers for the six-month billing period that the  $E_{HP}$  rate will be in effect. (C)

### **Gross Receipts Tax:**

- $T =$  The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

### **General:**

Each change in the  $E_{HP}$  rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the  $E_{HP}$  rate shall be subject to annual review and audit by the Commission.

(C) Change

Issued:

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)  
\_\_ Revised Page 20  
Superseding \_\_ Revised Page 20

## GENERAL RULES AND REGULATIONS

### Definition of Terms (continued)

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

**Energy Charge** - A charge based upon kilowatt-hours of use.

**Energy Efficiency and Conservation Charge** - A reconcilable, non-by-passable charge applied to each Billing Unit during a billing month to Delivery Service Customers, pursuant to the terms of the Rider F - Phase III Energy Efficiency and Conservation Rider.

**FERC** - The Federal Energy Regulatory Commission

**Generating Facility** - Any equipment and/or facility that is electrically interconnected to the Company and is (i) capable of generating electrical energy for delivery into the PJM control area and (ii) is located on a single site within the Company's service territory. A single site with multiple generating units, each owned by a single entity, shall constitute one Generating Facility. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generating Facility if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

**Hertz** - A unit of frequency, equal to one cycle per second.

**Horsepower (HP)** - Unit of mechanical power representing rate of consumption of power and equivalent to 746 watts. As used herein, horsepower is computed as the equivalent of 750 watts.

**Hourly Pricing Service Charges** – For Customers served under Rate Schedules 30 (HP), 35, 40, 44, 46 and Tariff No. 38 (PSU) as well as 20 and 30 (PTC) on a voluntary basis. Customers that elect this rate, the charges representing the Company's costs for providing energy, capacity, including the cost of complying with AEPS, market based transmission, and ancillary services for Default Service Customers. (C)

(C) Change

Issued:

Effective: June 1, 2023

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 173

Superseding \_\_\_ Revised Page 173

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC<sub>Default</sub> rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2023 through November 30, 2023 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate Schedules 20, 30 (PTC), 51 - 58, 71 and 72): (C)

\$X.XXXXX per kWh.

Residential Customer Class (Rate Schedule 10 and 20 (Special Provision)):

\$X.XXXXX per kWh

(C) Change

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 174

Superseding \_\_\_ Revised Page 174

RIDERS

Rider H (continued)

(C)

The PTC<sub>Default</sub> rates by Commercial or Residential Customer Class will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>; and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The PTC<sub>Default</sub> rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

Where:

PTC<sub>Current</sub> = The current cost component of the PTC<sub>Default</sub> rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC<sub>Current</sub> component of the PTC<sub>Default</sub> rate by Commercial or Residential Customer Class will use the following procedures:

(C)

PTC<sub>Current Cost Component</sub> = The current cost component of the PTC<sub>Default</sub> rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load, and any PJM charges related to the provision of Default Service.

(C) Change

Issued:

Effective: June 1, 2023



RIDERS

Rider H (continued)

$PTC_{Loss_{Current}}$  = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

<b>Customer Class</b>	<b>Loss Factor</b>
Commercial Customer Class	1.0899
Residential Customer Class	1.0910

$PTC_{Adm}$  = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

$PTC_{NITS}$  = When the Company purchases Network Integration Transmission Service from PJM on behalf of customers, a Network Integration Transmission Service Charge for Default Service, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 176

Superseding \_\_\_ Revised Page 176

RIDERS

Rider H (continued)

DS<sub>Exp1</sub> = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027, including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan for Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs incurred to implement the Time-of-Use Rider

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

DS<sub>Exp2</sub> = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class for the six-month period ending two months prior to the effective date, including but not limited to the following:

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

(C)

- Payments made to winning bidders
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges identified in Rider J, and ancillary services associated with the acquisition of default service supply.
- All contingency plan implementation costs incurred during the supply period, including any PJM charges to implement the Company's contingency plans.
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.
- The cost of credit when the Company is considered by PJM to be the load serving entity
- Any cost incurred by the Company associated with any Commission-approved solar power purchase agreements and the administration of the Company's long-term solar procurement, including the costs associated with spot purchases to satisfy a fixed quantity of default service load. These costs will be recovered from the customers in the applicable procurement classes receiving an allocation of the solar energy and/or the SPAECs procured.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider H (continued)

PTC<sub>Rev</sub> = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed under the respective Customer Class PTC<sub>Default</sub> rates. (C)

DS<sub>Int</sub> = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date by Customer Class. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)

DS<sub>Sales</sub> = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the six-month billing period that the E rate component of the PTC<sub>Default</sub> rate will be in effect. (C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Each change in the PTC<sub>Default</sub> rates will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised PTC<sub>Default</sub> rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the PTC<sub>Default</sub> rates shall be subject to annual review and audit by the Commission.

(C) Change

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 179

Superseding \_\_\_ Revised Page 179

RIDERS

Rider H (continued)

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Issued:

Effective: June 1, 2023

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 180

Superseding \_\_\_ Revised Page 180

RIDERS

RIDER I

HOURLY PRICING DEFAULT SERVICE RIDER

**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers on Rate Schedules 30 (HP), 35, 40, 44 and 46 who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules 20, and 30 (PTC) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All Rate Schedules 20 and 30 (PTC) Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

**Hourly Pricing Service Charges:**

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

**HP Energy Charge per kWh:**

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone.

HP<sub>Oth</sub> = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 181

Superseding \_\_\_ Revised Page 181

RIDERS

Rider I (continued)

HP Loss Multipliers:	Rates 20 and 30	1.0899
	Rate 35	1.0678
	Rates 40, 44 and 46	1.0356

(C)

**HP Cap-AEPS-Other Charge:**

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers.

**HP Administrative Charge:**

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$X.XXXXX per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“E<sub>HP</sub>”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one- thousandth of a cent per kWh. The E<sub>HP</sub> rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

(C)

For service rendered June 1, 2023 through November 30, 2023, the E<sub>HP</sub> rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

Rider I (continued)

The  $E_{HP}$  rate will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>, and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>. The  $E_{HP}$  rate shall be calculated in accordance with the formula set forth below:

(C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

Where:

$E_{HP}$  = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

$DS_{HPExp1}$  = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2023 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2027 including but not limited to:

(C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected and included in the determination of the monthly amortized amount.

(C) Change

Issued:

Effective: June 1, 2023



RIDERS

Rider I (continued)

$DS_{HPExp2}$  = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company for the six-month period ending two months prior to the effective date, including but not limited to the following: (C)

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Services Transmission charges identified in Rider J associated with the procurement of Hourly Pricing Default Service
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

$PTC_{HPRev}$  = The cumulative revenues, excluding any revenues associated with the HP Uncollectibles Charge and applicable Pennsylvania gross receipts tax, for the six-month period ending two months prior to the effective date billed to Hourly Pricing Default Service Customers under this rider including the applicable  $E_{HP}$  rates.

$DS_{HPInt}$  = The cumulative amount of carrying charges calculated on a monthly basis for the six-month period ending two months prior to the effective date. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month that the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected. (C)

$DS_{HPSales}$  = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the six-month billing period that the  $E_{HP}$  rate will be in effect. (C)

(C) Change

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 184

Superseding \_\_\_ Revised Page 184

## RIDERS

Rider I (continued)

(C)

### **Gross Receipts Tax:**

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

### **General:**

Each change in the  $E_{HP}$  rate as well as other rates within this rider will be filed with the Commission by the later of: (a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the  $E_{HP}$  rate shall be subject to annual review and audit by the Commission.

(C) Change

Issued:

Effective: June 1, 2023

RIDERS

(C)

RIDER K

TIME-OF-USE DEFAULT SERVICE RIDER

**Availability**

Time-Of-Use (“TOU”) default service (“TOU<sub>Default</sub>”) is available under this Rider for Residential Customers, and Commercial Customers with demand less than 100 kW, including those served under Rider D, the Net Metering Rider, and are receiving Default Service from the Company, upon the terms and conditions set forth herein, that: (1) have had smart meters installed pursuant to the Company’s Smart Meter Technology Procurement and Installation Plan; (2) are not enrolled in the Company’s Customer Assistance Program, (3) are not enrolled in budget billing; (3) are not involved in virtual net metering; (4) have not elected to terminate service under Rider K, for any reason, within the last 12 months; and (5) affirmatively elect to receive service under this Rider and comply with its enrollment procedures.

**Rates**

Commercial TOU<sub>Default On-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 1.9416

Commercial TOU<sub>Default Super Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.5663

Commercial TOU<sub>Default Off-Peak</sub> = Commercial Customer Class PTC<sub>Default</sub> Rate x 0.7870

Residential TOU<sub>Default On-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 1.8632

Residential TOU<sub>Default Super Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.5749

Residential TOU<sub>Default Off-Peak</sub> = Residential Customer Class PTC<sub>Default</sub> Rate x 0.7821

**On-Peak, Super Off-Peak, and Off- Peak Hours**

The rates for TOU default service are different for On-Peak, Super Off-Peak and Off-Peak hours during the year, and are billed on a service rendered basis, as shown below. All times listed below are prevailing time.

TOU Pricing Period	Included Time Periods	Commercial Rate Factor	Residential Rate Factor
On-Peak	2 PM - 9 PM Monday - Friday	1.9416	1.8632
Super Off-Peak	11 PM - 6 AM Monday - Friday	0.5663	0.5749
Off Peak	All Other Hours	0.7870	0.7821

(C) Change

Issued:

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WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 193

Superseding \_\_\_ Revised Page 193

## RIDERS

(C)

Rider K (continued)

### **TOU Default**

The TOU<sub>Default</sub> rates by Commercial or Residential Customer Class are based on the PTC<sub>Default</sub> rates, which will be calculated semi-annually for the six-month period ending March 31<sup>st</sup> to be effective for the six-month period beginning June 1<sup>st</sup>, and for the six-month period ending September 30<sup>th</sup> to be effective for the six-month period beginning December 1<sup>st</sup>.

### **Customer Switching**

A Customer that has enrolled in the TOU default service program remains eligible to return to standard Default Service. A Customer that has enrolled in the TOU default service program may, at any time, elect to receive another product from any EGS. Customers may leave Rider K at any time without incurring fees or penalties. If a Customer elects to terminate service under Rider K for any reason, the Customer cannot re-enroll in Rider K for twelve billing months.

### **Annual Review and Audit**

The application of TOU Default rates under this Rider shall be subject to annual review and audit by the Commission.

(C) Change

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Effective: June 1, 2023

WEST PENN POWER COMPANY

Electric Pa P.U.C. No. 40 (Supp. X)

\_\_\_ Revised Page 194

Superseding \_\_\_ Revised Page 194

RIDERS

Rider K (continued)

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Issued:

Effective: June 1, 2023

**EXHIBIT E-1**

**REVISED METROPOLITAN EDISON COMPANY  
ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF  
(RELEVANT PAGES)**

(b) If a Customer contacts the Company to discontinue electric service the Company will notify the current EGS via an EDI drop transaction of the Customer's discontinuance of service for the location.

**5.3.6** If the Company elects to change the account number for a Customer receiving generation service from an EGS for Company purposes (i.e., not as a result of customer action), the Company will notify the EGS of the change in account number at the same Customer location in sufficient time to permit the EGS to complete the EDI transactions required to maintain the EGS's service to the Customer.

#### **5.4 Provisions relating to an EGS's Customers.**

**5.4.1 Arrangements with EGS Customers.** EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, the PJM Tariff and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Beginning June 1, 2023, consistent with Docket No. P-2021-3030012, Customers enrolled in the Company's Pennsylvania Customer Assistance Program ("PCAP") are required to be enrolled in the Company's Default Service at the price-to-compare. Additionally, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to PCAP. (C)

**5.4.2 Transfer of Cost Obligations Between EGSs and Customers.** Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company.

**5.4.3 Customer Obligations.** Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

(C) Change

**8.5.1 Customer PLS and NPLS.** The customer specific PLS and NPLS developed in support of the PLS and NPLS submitted to the PJM eRPM tool (or its successor) by the Company, will be provided to each EGS for the EGS's customers of record no later than 10 days following such data being uploaded into the Company's SAP system. Beginning in 2012, the Eligible Customer List ("ECL") and supplier specific "Sync Lists" will contain the new PLS and NPLS values in the first scheduled update of the ECL and Sync Lists after the calculations are uploaded into the SAP system.

## 9. ALTERNATIVE ENERGY PORTFOLIO STANDARDS

**9.1 Requirements.** EGSs supplying retail load in the Company's service territory shall cooperate with the Company to ensure compliance with applicable requirements under the AEPS Act and related regulations. An EGS is required to meet AEPS Act requirements for its metered retail load as measured at the delivery point for each EGS Customer.

(C)

(C) Change



**12.9 Purchase of EGS Receivables (“POR”) Program.** The Company will purchase the account receivables, associated with EGS sales of retail electricity supply comprised of electric energy, capacity, transmission and ancillary services. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS-Small, General Service GS-Medium, Municipal Service, Borderline Service, Street Lighting Service, Ornamental Street Lighting Service and Outdoor Lighting Service. Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services. The Company has the right to withhold from the POR payment to an EGS an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.2.

Suppliers serving both industrial and commercial/residential Customers on Consolidated EDC Billing would need a separate DUNs number for industrial Customers and a separate DUNs number for commercial/residential Customers. EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

**(a) Eligibility:** The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

**(b) Timing of Payments:** Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C)

(C) Change

**EXHIBIT E-2**

**REVISED PENNSYLVANIA ELECTRIC COMPANY  
ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF  
(RELEVANT PAGES)**

(b) If a Customer contacts the Company to discontinue electric service the Company will notify the current EGS via an EDI drop transaction of the Customer's discontinuance of service for the location.

**5.3.6** If the Company elects to change the account number for a Customer receiving generation service from an EGS for Company purposes (i.e., not as a result of customer action), the Company will notify the EGS of the change in account number at the same Customer location in sufficient time to permit the EGS to complete the EDI transactions required to maintain the EGS's service to the Customer.

#### **5.4 Provisions relating to an EGS's Customers.**

**5.4.1 Arrangements with EGS Customers.** EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, the PJM Tariff and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

(C)

Beginning June 1, 2023, consistent with Docket No. P-2021-3030013, Customers enrolled in the Company's Pennsylvania Customer Assistance Program ("PCAP") are required to be enrolled in the Company's Default Service at the price-to-compare. Additionally, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to PCAP.

**5.4.2 Transfer of Cost Obligations Between EGSs and Customers.** Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company.

**5.4.3 Customer Obligations.** Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

(C) Change

**8.5.1 Customer PLS and NPLS.** The customer specific PLS and NPLS developed in support of the PLS and NPLS submitted to the PJM eRPM tool (or its successor) by the Company, will be provided to each EGS for the EGS's customers of record no later than 10 days following such data being uploaded into the Company's SAP system. Beginning in 2012, the Eligible Customer List ("ECL") and supplier specific "Sync Lists" will contain the new PLS and NPLS values in the first scheduled update of the ECL and Sync Lists after the calculations are uploaded into the SAP system.

## 9. ALTERNATIVE ENERGY PORTFOLIO STANDARDS

(C)

**9.1 Requirements.** EGSs supplying retail load in the Company's service territory shall cooperate with the Company to ensure compliance with applicable requirements under the AEPS Act and related regulations. An EGS is required to meet AEPS Act requirements for its metered retail load as measured at the delivery point for each EGS Customer.

(C) Change

**12.9 Purchase of EGS Receivables (“POR”) Program.** The Company will purchase the account receivables, associated with EGS sales of retail electricity supply comprised of electric energy, capacity, transmission and ancillary services. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS-Small, General Service GS-Medium, Municipal Service, Borderline Service, Street Lighting Service, Ornamental Street Lighting Service and Outdoor Lighting Service. Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services. The Company has the right to withhold from the POR payment to an EGS an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.2.

Suppliers serving both industrial and commercial/residential Customers on Consolidated EDC Billing would need a separate DUNs number for industrial Customers and a separate DUNs number for commercial/residential Customers. EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

**(a) Eligibility:** The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

**(b) Timing of Payments:** Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C)

(C) Change

**EXHIBIT E-3**

**REVISED PENNSYLVANIA POWER COMPANY  
ELECTRIC GENERATION SUPPLIER TARIFF  
(RELEVANT PAGES)**

- (b) If a Customer contacts the Company to discontinue electric service the Company will notify the current EGS via an EDI drop transaction of the Customer's discontinuance of service for the location.

**5.3.6** If the Company elects to change the account number for a Customer receiving generation service from an EGS for Company purposes (i.e., not as a result of customer action), the Company will notify the EGS of the change in account number at the same Customer location in sufficient time to permit the EGS to complete the EDI transactions required to maintain the EGS's service to the Customer.

#### **5.4 Provisions relating to an EGS's Customers.**

**5.4.1 Arrangements with EGS Customers.** EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, the PJM Tariff and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Beginning June 1, 2023, consistent with Docket No. P-2021-3030014, Customers enrolled in the Company's Pennsylvania Customer Assistance Program ("PCAP") are required to be enrolled in the Company's Default Service at the price-to-compare. Additionally, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to PCAP.

(C)

**5.4.2 Transfer of Cost Obligations Between EGSs and Customers.** Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company.

**5.4.3 Customer Obligations.** Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

(C) Change

**8.5.1 Customer PLS and NPLS.** The customer specific PLS and NPLS developed in support of the PLS and NPLS submitted to the PJM eRPM tool (or its successor) by the Company, will be provided to each EGS for the EGS's customers of record no later than 10 days following such data being uploaded into the Company's SAP system. Beginning in 2012, the Eligible Customer List ("ECL") and supplier specific "Sync Lists" will contain the new PLS and NPLS values in the first scheduled update of the ECL and Sync Lists after the calculations are uploaded into the SAP system.

## 9. ALTERNATIVE ENERGY PORTFOLIO STANDARDS

**9.1 Requirements.** EGSs supplying retail load in the Company's service territory shall cooperate with the Company to ensure compliance with applicable requirements under the AEPS Act and related regulations. An EGS is required to meet AEPS Act requirements for its metered retail load as measured at the delivery point for each EGS Customer.

(C)

(C) Change



**12.9 Purchase of EGS Receivables (“POR”) Program.** The Company will purchase the account receivables, associated with EGS sales of Basic Electricity Supply. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS Special Provision for Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS, General Service Medium GM, Street Lighting Service SV, Street Lighting Service SVD, Street Lighting Service SM and Private Outdoor Lighting Service PLS. Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services. The Company has the right to withhold from the POR payment to an EGS an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.2.

EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

The Company will purchase receivables only for service rendered on or after June 1, 2011. Receivables for service rendered before June 1, 2011 cannot be used for termination purposes.

**(a) Eligibility:** The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

**(b) Timing of Payments:** Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C)

(C) Change

**EXHIBIT E-4**

**REVISED WEST PENN POWER COMPANY ELECTRIC GENERATION  
SUPPLIER COORDINATION TARIFF  
(RELEVANT PAGES)**

**5.9 Registered EGS Discontinuance of Service.** When initiating the discontinuance of Competitive Generation Service to Customers, the Registered EGS must submit a valid Customer drop transaction to the Company in accordance with EDEWG standards for the processing of drop transactions.

**5.10 Effective Date of Discontinuance.** Excluding Customer non-payment of Company charges, the discontinuance of Competitive Generation Service will take effect on a Meter Read Date and in accordance with the provisions of the EGS Tariff that govern a Customer's change of Registered EGS.

**5.11 Customer Number Change.** If the Company elects to change the EDC account number for a Customer receiving Competitive Generation Service from a Registered EGS, the Company will notify the Registered EGS of the change in EDC account number via electronic file.

**5.12 Full Requirements Service Provision.** The Registered EGS shall agree to supply full requirements Competitive Generation Service for each of its Customers at each Customer account enrolled. Partial requirements or split load service are not supported by the Company.

**5.13 Weekly Customer Information Listing (Sync List).** The Company will provide an all inclusive Customer list as it exists on the Company files as of Friday of the previous week for each Registered EGS serving Customers. The Sync List will be posted on the designated secure website provided for the Registered EGS by the Company and will include all new, active, inactive and terminated Customers served by the Registered EGS. Information contained in this list include Company and Registered EGS Customer status information, start and stop dates, and reason codes for Customer drop and termination actions.

**5.14 Provisions relating to Registered EGS Customers.**

**5.14.1 Arrangements with Registered EGS Customers.** Registered EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PUC requirements, and the EGS Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Beginning June 1, 2023, consistent with Docket No. P-2021-3030021, Customers enrolled in the Company's Pennsylvania Customer Assistance Program ("PCAP") are required to be enrolled in the Company's Default Service at the price-to-compare. Additionally, EGSs shall not charge any early termination, cancellation or other add-on fees to customers transitioning to PCAP.

(C)

(C) Change

**5.14.2 Transfer of Cost Obligations Between Registered EGSs and Customers.**

Nothing in the EGS Tariff is intended to prevent a Registered EGS and a Customer from agreeing to reallocate between them any charges that the EGS Tariff imposes on the Registered EGS, provided that any such agreement shall not change in any way the Registered EGSs obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the Registered EGSs Customer for any charges owed to the Company by the Registered EGS.

**5.14.3 Customer Obligations.** Customers of a Registered EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company.

**6. LOAD FORECASTING**

**6.1 Customer Load Forecasting.** The Registered EGS is responsible for forecasting its Customer load obligations. (C)

**6.2 Typical Load Data.** The Company shall provide typical load curve data respective to Monthly metered Customer class types. This data is available on the Company's website.

**6.3 Updates to Typical Load Curve Data.** The Company shall review annually its methodology, algorithms and Load Forecasting results and shall perform additional load studies to update the load curve data as required.

**6.4 Right to Aggregate.** Registered EGSs may aggregate their Customers' loads when exercising Customer Choice. Customers receiving Competitive Generation Service from a Registered EGS may aggregate multiple EDC accounts or meters for the purpose of energy scheduling and billing of Competitive Generation Service only if the Registered EGS performs the billing of the Competitive Generation Service.

**6.5 Split Loads.** Partial requirements or split loads are not allowed. Only one Registered EGS will be allowed to provide Competitive Generation Service to a Customer's EDC account.

**7. LOAD SCHEDULING**

**7.1 Day Ahead Energy Schedules.** The Registered EGS is responsible for fulfilling its load obligations directly with PJM according to the PJM OATT, as noted in Appendix A-Responsibilities for PJM Billing Line Items as Defined in Applicable PJM Agreement or Manual.

EGSs will no longer be responsible for PJM Regional Transmission Expansion Plan charges ("RTEPs") (PJM OATT Schedule 12) and Expansion Cost Recovery charges (PJM OATT Schedule 13) billed for service rendered by PJM after June 1, 2013.

Beginning June 1, 2015, EGS will no longer be responsible for the following transmission costs; (1) PJM charges associated with reliability must run ("RMR") generating unit declarations and deactivation of plants deactivated after July 24, 2014, the date of the Commission's approval of West Penn Power's Default Service Programs in PaPUC Docket No. P-2013-2391378; (2) historical out of market tie line, generation and retail customer meter adjustments; and (3) unaccounted for energy.

EGSs will not be responsible for any approved reallocation of PJM Regional Transmission Expansion Plan charges related to Docket No. EL05-121-009.

(C) Change

- (a) The Registered EGS must calculate and send its Customer charges to the Company within three (3) Business Days of receipt of the meter read data. If the Registered EGS fails to transmit its Customer charges to the Company in the required timeframe, the Company will not include the Registered EGS's Customer charges on the bill for that period. The Company will place the previous Month Customer charges on a future consolidated bill provided that the Registered EGS: (i) transmits the previous Month Customer charges in accordance with standard EDI practices; and (ii) sends its previous Month Customer charges to the Company within three (3) Business Days of receipt of future meter read data.
- (b) The Company will not be liable for the Registered EGS's charges or losses, damages or consequential damages associated with the Registered EGS's Customers not being billed for the Registered EGS's charges for that period.
- (c) The Registered EGS is responsible for the bill content transmitted to the Company.

**12.4.2 Purchase of Receivables ("POR") Program.** When a Registered EGS elects to use Company Consolidated Billing, the Company will purchase the Registered EGS's Basic Electric Supply receivables. The POR program will be applicable to residential and small commercial Customers served under the following retail rate schedules of the EDC Tariff: Schedules 10, 20, 30, 51, 52, 53, 54, 55, 56, 57, 58, and 71 and pursuant to the terms and conditions as follows:

- (a) All Registered EGS Basic Electric Supply charges for residential and small commercial Customers billed using Company Consolidated Billing will be purchased at 100%, and will become the Company's charges on the day the bill is rendered. The Company has the right to withhold from the POR payment to an EGS an amount equal to any undisputed outstanding and unpaid balance in excess of thirty (30) or more days associated with EGS obligations to the Company as provided for in Section 12.7.
- (b) In the event a Registered EGS converts a Customer from Company Consolidated Billing to Dual Billing, the Registered EGS and Company will each be responsible for its receivables effective as of the start of Dual Billing. EGSs' receivables incurred as a result of a Customer billed under a Dual Billing arrangement will not be included in the POR program.
- (c) Company payments to EGSs will be made based on current charges applicable for the current month of service that is billed to and owed by the Customers, and will be paid to the Registered EGSs forty (40) days after the issued date of the Company Consolidated Bill. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.4.2(l).

(C) Change

**EXHIBIT F**

**CUSTOMER REFERRAL PROGRAM AGREEMENT**

**Customer Referral Program Agreement**

**Residential and Small Commercial Customer Class Full Requirements**

**for**

{Insert EDC Here}

## CUSTOMER REFERRAL PROGRAM AGREEMENT

**THIS CUSTOMER REFERRAL PROGRAM AGREEMENT** (“Agreement”) is made and entered into as of {Insert Date} (“Effective Date”) by and between **{Insert EDC Name Here }** (“Company”), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and \_\_\_\_\_ (“Customer Referral Supplier”) a corporation organized and existing under the laws of [State of or Commonwealth of.....]. The Company and the Customer Referral Supplier hereinafter are sometimes referred to collectively as the “Parties,” or individually as a “Party.”

### WITNESSETH:

**WHEREAS**, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

**WHEREAS**, the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) has found that it would serve the public interest for the Company to establish a Customer Referral Program to refer customers that contact the Company to licensed Electric Generation Suppliers (“EGSs”), and the PaPUC has approved the Program; and

**WHEREAS**, the undersigned EGS desires to participate in the Customer Referral Program.

**WHEREAS**, the Customer Referral Supplier is licensed by the PaPUC to offer and supply competitive retail electric services in Pennsylvania, and is a registered supplier under the Company’s Supplier Coordination Tariff.



NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

## **Article 1      Definitions**

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

- 1.1 **Agreement** – This Agreement for an EGS to become a Customer Referral Supplier and to participate in the Company’s Customer Referral Program together with attached Appendices.
- 1.2 **Applicable Legal Authorities** - Those federal and Pennsylvania statutes and administrative rules, regulations and Orders that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.
- 1.3 **Business Day** – Any day on which the Company’s corporate offices are open for business.
- 1.4 **Company** – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company or West Penn Power Company individually, or in combination as the “Companies.”
- 1.5 **Consolidated EDC Billing** - Shall have the meaning set forth in the Company’s Supplier Tariff as filed with the PaPUC and available on the Company’s website.
- 1.6 **Customer** – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff that are eligible to receive competitive electricity supply from an EGS or Default Service in accordance with the Applicable Legal Authorities.
- 1.7 **Customer Referral Customer(s)** – Customers who are provided competitive retail electric service as part of the Customer Referral Program in accordance with the terms of this Agreement.
- 1.8 **Customer Referral Program or “CRP”** – The Customer Referral Program as defined in this agreement
- 1.9 **Customer Referral Program Implementation Team** – customer service representatives trained in Pennsylvania customer choice issues and processes and the Customer Referral Program, employed by the Company directly or as independent contractors to implement the Customer Referral Program on behalf of the Company.

- 1.10 **Customer Referral 12 Month Fixed Price** – The 12 month fixed price set forth semi-annually in the Confirmation Sheet, which shall be in the form provided in Appendix A. The fixed price includes all EGS charges for Basic Electricity Supply including generation charges, market based transmission charges, and all Independent System Operator charges and gross receipt taxes. The fixed price shall be billed to an enrolled customer for 12 consecutive billing periods.
- 1.11 **Customer Referral Supplier** – An entity that: (i) has accepted the obligations and associated rights to provide competitive retail electric service under the terms of this Agreement to retail customers in accordance with the Applicable Legal Authorities; (ii) has entered into this Agreement with the Company; (iii) is a full member of PJM and registered with PJM as a Load Serving Entity; (iv) is licensed by the PaPUC to offer and supply electric generation services in Pennsylvania, and (v) is in compliance with the terms and conditions of the Company’s Supplier Tariff.
- 1.12 **Customer Referral Supplier Representative** – Any officer, director, employee, consultant, contractor, or other agent or representative of the Customer Referral Supplier having actual or apparent authority to act on behalf of the Customer Referral Supplier in connection with the Customer Referral Supplier’s performance under this Agreement. To the extent the Customer Referral Supplier is a division or group of a Company, the term Customer Referral Supplier Representative does not include any person in that Company who is not part of the Customer Referral Supplier’s division or group.
- 1.13 **Default Service** – Shall mean Default Service as defined in 52 Pa. Code § 54.182.
- 1.14 **Electric Distribution Company or “EDC”** – A public utility providing facilities for the transmission and distribution of electricity to retail Customers in Pennsylvania subject to the jurisdiction of the Commission.
- 1.15 **Electric Generation Supplier or “EGS”** – A person or entity that is duly certified by the Commission to offer and provide competitive retail electric service to retail customers located in the Commonwealth of Pennsylvania.
- 1.16 **Electronic Data Interchange or “EDI”** – The standardized format for the electronic transfer of data between different entities.
- 1.17 **FERC** – The Federal Energy Regulatory Commission.
- 1.18 **Price-to-Compare** – Shall mean “price-to-compare” as defined in 52 Pa. Code § 54.182.
- 1.19 **Participating EGSs** – All EGSs that have executed this Agreement.
- 1.20 **PJM** – PJM Interconnection, LLC.
- 1.21 **Rate Schedule(s)** – The Customer rate schedule(s) in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.22 **Rate Ready** – Shall have the meaning set forth in the Company’ Supplier Tariff as filed with the PaPUC and available on the Company’s website.

- 1.23 **Residential Customer** – Customers on: Rate Schedules RS and GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service. (Metropolitan Edison Company and Pennsylvania Electric Company); Rate Schedules RS and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services (Pennsylvania Power Company); or Domestic Service Schedule 10 and Rate Schedule 20 special provision for Volunteer Fire Company, Non-Profit Ambulance Service, Non-Profit Rescue Squad and Non-Profit Senior Citizen Center (West Penn Power Company), each as defined in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.24 **Seller** – means the Customer Referral Supplier.
- 1.25 **Service Territory** – The service territory in which the Company is authorized to furnish retail electric service in Pennsylvania.
- 1.26 **Small Commercial Customer** - Customer on Rate Schedule GS-Small (Metropolitan Edison Company and Pennsylvania Electric Company); General Service - Small (Pennsylvania Power Company); or General Service Schedule 20 (West Penn Power Company) as defined in each respective Company’s electric service tariff on file with the Commission as such may be modified from time to time.
- 1.27 **Supplier Tariff** –The PaPUC-approved Electric Generation Supplier Tariff for the Company.

## **Article 2      General Terms and Conditions**

### **2.1      Term**

This Agreement shall be effective upon execution by the Parties and with the approval of the PaPUC and shall terminate on May 31, 2027. This Agreement may be terminated prior to the end of each such term by the existence of any of the following conditions: (1) if the Customer Referral Program is terminated by governmental action; (2) if the Customer Referral Supplier is no longer a certified EGS; (3) if either Party is in material breach of this Agreement or the Supplier Tariff; or (4) pursuant to Article 3 of this Agreement.

## **2.2 Customer Referral Supplier Participation and Suspension of Participation**

Customer Referral Suppliers will be able to begin participation in the Program effective on the following dates each year: June 1, September 1, December 1 or March 1. In order to participate, a Customer Referral Supplier must provide initial notice of its intent to participate in the Customer Referral Program at least sixty days prior to its desired effective date. A Customer Referral Supplier that has previously participated in the Company's Customer Referral Program must provide notice of its intent to participate at least thirty days prior to its desired effective date. A Customer Referral Supplier may suspend its participation in the Customer Referral Program effective on those same four dates (June 1, September 1, December 1 or March 1) and must provide notice of its intent to suspend participation at least thirty days prior to its desired effective suspension date. Notice of participation or suspension of participation shall be provided in the Form of Appendix C attached hereto.

## **2.3 Supplier Tariff**

Except as otherwise stated herein, all the terms and conditions of the Company's Supplier Tariff, as filed with the PaPUC and available on the Company's website, and as modified from time to time with the approval of the Commission, are incorporated herein by reference, are in full force and effect and are binding upon the Parties for the duration of this Agreement.

## **2.4 CRP Charges – Calculation**

Each Company will incur the following types of cost related to the Customer Referral Program: (1) capital and startup costs, such as costs associated with programming, development of phone scripts, administration of developing third party

vendor arrangements, etc. (the “Initial CRP Costs”); and (2) ongoing monthly costs, such as third party contractor charges and continuing internal administrative costs (the “Ongoing CRP Costs”; collectively, “CRP Costs”). The Companies will update their estimate of the CRP Costs prior to soliciting EGS participation in the CRP.

Each Company will track and record its CRP Costs separately, and each Company will recover CRP Costs from Customer Referral Suppliers by assessing a standard, per-customer charge (the “CRP Charge”), not to exceed \$30. The CRP Charge is subject to change by order of the Pa PUC or a Court of competent jurisdiction, and such change might be retroactive. A Customer Referral Supplier will be assessed a CRP Charge for every CRP customer enrollment that has been completed for that Customer Referral Supplier by the Company’s third party vendor. A Customer Referral Supplier will not be assessed a CRP Charge for those customers who utilize the Company’s web enrollment program to participate in the CRP. The CRP Charge will be calculated on an annual basis, with a new CRP Charge becoming effective June 1 of each year.

The CRP Charge will be calculated by dividing CRP Costs by a projected number of customer enrollments in the CRP during the applicable year. Three cost components will be included in the CRP calculation: (1) Initial CRP Costs; (2) Ongoing CRP Costs; and (3) a reconciliation component for each year beyond the first year of the CRP (the “Reconciliation Component”). The Initial CRP Costs will be recovered utilizing a 12-month amortization period, and will include a return at the legal rate of interest.

In the event that the actual CRP Costs result in a cost per customer that exceeds the CRP Charge, the Companies will recover the resulting difference between their actual

costs and the amount recovered by their CRP Charge through a non-bypassable surcharge applied to the bills of all Customers eligible to participate in the CRP.

## **2.5 CRP Charges**

(a) Consistent with the calculation methodology in Section 2.4, the Companies will provide updates of the CRP Charge to the Customer Referral Suppliers annually and will communicate the annual CRP Charge to Customer Referral Suppliers through a modification to Appendix B attached hereto, by May 1 of each year.

(b) The Companies shall charge any Customer Referral Supplier in confirmed violation of the CRP Agreement an hourly fee, consistent with the Technical Support and Assistance Charge allowed for under the Supplier Tariff, for time spent researching, manually verifying and confirming a Customer Referral Customer's account. The Companies will notify the affected Customer Referral Supplier and such Supplier will have ten days to submit a formal objection to the Companies' initial determination. The formal objection shall be processed consistent with Section 18 of the Companies' Supplier Coordination Tariffs.

(c) The Companies shall charge any Customer Referral Supplier in confirmed violation of the CRP Agreement all legal fees resulting from customer complaints from Customer Referral Customers caused by the action or inaction of the Customer Referral Supplier.

## **2.6 Company Obligations and Authority**

The Company shall:

(a) Record the Customer's intent to participate and then transmit the following to each participating EGS via a secure website post or secure EDI transmittal: (1) the

Customer's intent to participate; (2) the Company's twenty-digit customer identification number; and (3) the Customer's billing address. This transmission will provide the EGS with a valid referral for processing an enrollment.

(b) Bill the Customer Referral Customers on behalf of the Customer Referral Supplier under Rate Ready Consolidated EDC Billing utilizing the Customer Referral 12-Month Fixed Price in effect when the Customer enrolls, as set forth in Appendix A (the "Confirmation Sheet");

(c) Assign to the Customer Referral Supplier all eligible Customer accounts enrolled by the Customer Referral Supplier, with the requisite Customer consent, consistent with the Supplier Tariff as filed with the PaPUC and available on the Company's website;

(d) Inform Residential and Small Commercial Default Service Customers that contact the Company regarding a high bill, a new service request, or electric choice inquiry, that they have the ability to purchase power from an EGS and offering such Customers the opportunity to have their call transferred to the Company's Customer Referral Program Implementation Team;

(e) Have the Customer Referral Program Implementation Team inform the customer that the Company can refer the customer to an EGS with a 12-month fixed price that is below the EDC's current Price-To-Compare default service rate.

(f) The Company will give the Customer an opportunity, at the Customer's election, to choose an EGS or to be referred to an EGS on a rotating basis. The rotation process is designed to provide each EGS participating in the Customer Referral Program generally equivalent numbers of rotation-assigned customers, by service type. EGSs

must serve all such Residential or Small Commercial Customers referred through a Customer Referral Program.

(g) Secure PaPUC approval to implement the Customer Referral Program for the period June 1, 2023 to May 31, 2027.

## **2.7 Obligations of the Customer Referral Supplier**

The Customer Referral Supplier shall:

(a) Provide Competitive Energy Supply (as defined in the Supplier Tariff) to Customer Referral Customers, consistent with the terms and conditions of service set forth in this Agreement (“Customer Referral Supply”), and PaPUC Orders regarding the Customer Referral Program;

(b) Meet all of the obligations and requirements of a PaPUC-licensed EGS under the then current Supplier Tariff;

(c) Cooperate, at its own expense, with the Company in any regulatory compliance efforts that may be required to maintain the ongoing validity and enforceability of the terms of this Agreement, and fulfill any regulatory reporting requirement associated with the provision of the Customer Referral Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(d) Use EDC Rate Ready Consolidated Billing to bill Customer Referral Customers the Customer Referral 12-Month Fixed Price in effect when the Customer enrolled in the Customer Referral Program as set forth in the applicable Confirmation Sheet for 12 consecutive billing periods, unless the contract is terminated by the customer;



(e) After receiving a valid referral for enrollment, issue a standard disclosure statement, consistent with the Terms and Conditions of the Customer Referral Program and welcome kit to the customer at least 3 days prior to transmitting an EDI 814 enrollment transaction to the EDC;

(f) Transmit an EDI 814 enrollment transaction to the EDC consistent with Commission regulations and comply with the switching rules in the Company's Supplier Tariff;

(g) Pay bills rendered from the EDC relating to the CRP (including the CRP Charge) within 30 days; and

(h) Comply with Commission regulations regarding notice of a price change and changes in the terms and conditions of service following the 12-month initial contract period.

## **2.8 No Guarantee of Customer Referral Customers**

The Company makes no guarantee or representation as to the number of Residential or Small Commercial Customers, if any, that will become Customer Referral Customers or will become Customer Referral Customers of any particular EGS during the term of this Agreement.

## **2.9 Fees, Penalties, and Exceptions**

Customer Referral Customers will be billed the Customer Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet under and subject to the terms and conditions set forth herein and in applicable PaPUC Orders. Customer Referral Suppliers will be paid by the Company pursuant to the Customer

Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet and the terms and conditions of the Supplier Tariff. Customer Referral Suppliers will not impose any penalties or fees on Customer Referral Customers.

#### **2.10 Guaranteed Power Supply to Customer Referral Customers for One Year**

All Customer Referral Customers enrolled in the Customer Referral Program shall receive power at the Customer Referral 12-Month Fixed Price, as applicable, as set forth in the applicable Confirmation Sheet from the Customer Referral Customer's initial meter read date during the contract terms set forth in Appendix A and ending with the Customer Referral Customer's last meter read date during the 12 month contract term such that the Customer will receive 12 consecutive bills calculated using the Customer Referral 12-Month Fixed Price applicable to the Customer at the time of enrollment.

#### **2.11 Enrollment Procedures and Policies**

Customer Referral Customers can enroll or switch to an EGS, including an alternative offer from the Customer Referral Supplier, or return to Default Service at any time during the 12 month period that the 12-Month Fixed Price is billed without restriction or penalty.

#### **2.12 Service Inquiries and Notices to Customer Referral Customers**

Customer Referral Customers may direct inquiries regarding this Agreement and any power supply or billing questions regarding the Customer Referral Program to the Customer Referral Supplier, whose address and phone number shall be provided in all communications with Customer Referral Customers regarding the Customer Referral Program.

### **Article 3 Early Termination of Agreement**

The Customer Referral Supplier may only terminate its Consumer Contract and Disclosure Statement with Customer Referral Customers during the initial 12 month billing period upon 30 days' prior written notice to the customer due to a change in law or other act beyond the Customer Referral Supplier's reasonable control or if the Customer Referral Supplier is no longer able to serve the customer. In addition, the Customer Referral Supplier may reject the enrollment or terminate its Consumer Contract if the Customer does any of the following:

- Moves within or outside of the EDC's service territory or fails to remain an EDC distribution Customer throughout the term under the applicable residential or small commercial electric rate class;
- Fails to be eligible for EDC consolidated billing throughout the term;
- Provides any false, inaccurate or misleading information to the Customer Referral Supplier or the EDC.

### **Article 4 Energy Efficiency and Conservation Programs**

The Customer Referral Supplier acknowledges that Customer Referral Customers may participate in energy efficiency and conservation programs offered by the Company (as required by Applicable Legal Authorities or otherwise), by PJM, or by other third parties, and that such participation may reduce or change the amount of Customer Referral Supply that Customer Referral Supplier is required to provide and, therefore, the amount of money it may receive under this Agreement. Customer Referral Supply does not include the load which the Customer Referral Supplier may have served in the absence of such programs, and the Company shall have no obligation whatsoever to Customer Referral Supplier with respect to the effect, if any, of such programs. Customer Referral Supplier is solely responsible for determining the effect, if any, of

such programs on future load requirements.

**Article 5      Entire Agreement**

This Agreement and Appendices attached hereto constitute the entire Agreement and understanding between the Parties with respect to the services that are being provided hereunder. All prior written and verbal agreements and representations, if any, with respect to these services are merged into and superseded by this Agreement. No revisions or modifications to this Agreement will be valid, unless written and executed by all Parties and approved by the PaPUC.

**Article 6      Authorization**

Each Party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. Each person who executes this Agreement on behalf of either Party represents and warrants that he or she has full and complete authority to do so and that such Party will be bound by the Agreement.

**Article 7      Jurisdiction**

Any and all matters of dispute between the Parties, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective as of the day and year first written above.

**ATTEST:** {INSERT EDC HERE}

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: [Insert Name]  
Title: [Insert Title]

Name: [Insert Name]  
Title: [Insert Title]

**APPENDIX A**

**RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER REFERRAL  
PROGRAM PRICING  
CONFIRMATION SHEET**

**FOR CUSTOMER ENROLLMENTS FOR THE PERIOD XX/XX/XXXX TO  
XX/XX/XXXX**

The Customer Referral Supplier shall bill Customer Referral Customers in the [Name of EDC and name of Class] program that have been enrolled\* during the period XX/XX/XXXX to XX/XX/XXXX at the prices set forth below. The following Fixed Rate shall be in effect through the last meter read date for 12 monthly billing periods after Enrollment.

Residential Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

Small Commercial Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

**\*Enrolled shall mean the day the customer accepts the EGS proposal for service**

**Customers Referral Customers shall be enrolled using Rate Code xxxxxx for the Period xx/xx/xxxx to xx/xx/xxxx**

**APPENDIX B**

**CUSTOMER REFERRAL PROGRAM CHARGE**

**PER CUSTOMER ENROLLED FOR THE PERIOD XX/XX/XXXX TO  
XX/XX/XXXX**

The Companies shall charge the Customer Referral Suppliers for each customer enrolled during the period XX/XX/XXXX to XX/XX/XXXX at the CRP Charge set forth below.

CRP Charge Rate

\$XX.XX per customer enrolled

**APPENDIX C**

**EGS PARTICIPATION OR SUSPENSION OF PARTICIPATION NOTICE**

The Customer Referral Supplier shall be permitted to participate or suspend participation June 1, September 1, December 1 or March 1 upon providing the Companies with proper notice, as set forth below.

**CUSTOMER REFERRAL SUPPLIER NOTICE TO PARTICIPATE IN OR WITHDRAW FROM THE ENROLLMENT OF NEW CRP CUSTOMERS**

{INSERT EGS Name HERE} did not previously participate in the Company's Customer Referral Program and is hereby providing the Company 60-days notice of intent to enroll new customers in the [Name of EDC and Class ] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} previously participated in the Company's Customer Referral Program and is hereby providing the Company 30-days notice of intent to enroll new customers in the [Name of EDC and Class ] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} is hereby providing the Company 30-days notice of intent to withdraw from enrolling new customers in the [Name of EDC and Class ] Customer Referral Program beginning XX/XX/XXXX.

EGS Representative \_\_\_\_\_  
Date \_\_\_\_\_



**EXHIBIT G-1**

**METROPOLITAN EDISON COMPANY  
THIRD PARTY DATA ACCESS TARIFF**

Electric Pa P.U.C. No. \_\_\_\_

**METROPOLITAN EDISON COMPANY**

**Third Party Data Access Tariff**

**Company Office Location**

2800 Pottsville Pike  
P. O. Box 16001  
Reading, Pennsylvania 19612

Issued:

Effective: June 1, 2023

**Samuel L. Belcher, President**

NOTICE

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Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 2

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**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations. ....	5
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	8
2. Scope and Purpose of Tariff .....	9
3. Commencement of Service .....	11
4. Terms of Service .....	12
5. Data Request and Release Process.....	14
6. Confidentiality of Information.....	16
7. Payment and Billing.....	17
8. Liability.....	18
9. Termination of Service .....	19
10. Alternative Dispute Resolution.....	20
11. Miscellaneous .....	22
<b>APPENDIX</b>	
Data Access Registration Form .....	23

### **HOW TO USE LOOSE-LEAF TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as “original page,” consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1—for example: “Original Page No. 2,” “Original Page No. 3,” etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as “First Revised Page No....,” the second time as “Second Revised Page No....,” etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as “First Revised Page No. 2, superseding Original Page No. 2”; and the added page would be issued as “Original Page No. 2A.” If a second added page should be required, it would be issued as “Original Page No. 2B.” Subsequent reprints will be consecutively designated as “First Revised...,” “Second Revised...,” etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked “See following page for pending revision.” On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

## **DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS**

**Aggregated Customer Data** – information pertaining to retail customers that has been (a) assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information and (b) subjected to analysis functions to develop summation average or other analytical statistics, or both, for specific groups of retail customers in a manner that precludes the determination of the individual identities of the retail customer to which such information pertains.

**Anonymous Customer Data** – information pertaining to retail customers that has been assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information.

**AMI Interval Data** – electric demand and energy usage that are measured over specific consistent incremental time periods by advanced metering infrastructure (“AMI”) metering facilities provided by the Company at a retail customer’s premises and that may or may not be subject to the Company’s validation, editing, and estimation (“VEE”) processes or directly used for the purposes of determining the amounts owed by such retail customer for electric services.

**Charges** - all charges stated in the “Charges” section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for service performed hereunder.

**Company** – Metropolitan Edison Company (“Met-Ed”).

**Competition Act** - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

**Conservation Service Provider** – an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership, or other affiliated interest with an electric distribution company (66 Pa.C.S. § 2806.1.(m)).

**Curtailement Service Provider** - a PJM member or a special member, which action on behalf of itself or one or more other members or non-members, participates in the PJM Interchange Energy Market, Ancillary Services markets, Reliability Pricing Model, or any combination thereof by causing a reduction in demand.

**Customer** - a retail electric customer as defined in the Competition Act.

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 6

Definitions (Continued)

**Customer Data** – information pertaining to retail customers, including AMI Interval Data and customer account information, such as customer address, contact information, payment history, account number, and amount billed.

**Electric Distribution Company (or “EDC”)** - shall have the meaning set forth in the Competition Act.

**EDC Tariff** - the Company’s current PaPUC approved Electric Service Tariff, Pa. P.U.C. No. 52 (Metropolitan Edison Company).

**Electric Generation Supplier** – any person, corporation, or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission, and ancillary services to Customers in the Company’s service territory under and pursuant to the Competition Act.

**Electronic Data Interchange (“EDI”)** – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

**FERC** - the Federal Energy Regulatory Commission.

**FirstEnergy Corp. (“FirstEnergy”)** – the parent company of Cleveland Electric Illuminating Company, Jersey Central Power and Light Company, Metropolitan Edison Company, Monongahela Power Company, Ohio Edison Company (and its wholly owned subsidiary, Pennsylvania Power Company), Pennsylvania Electric Company, Potomac Edison Company, Toledo Edison Company, and West Penn Power Company.

**Market Participant** – has the same meaning as set forth in the PJM Tariff.

**PaPUC (or “Commission”)** - the Pennsylvania Public Utility Commission.

**PJM** - the regional transmission organization operated by PJM Interconnection, L.L.C., or its successor.

**PJM Tariff** – the PJM Open Access Transmission Tariff, including schedules and exhibits.

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 7

Definitions (Continued)

**Tariff** – this Third-Party Data Access Tariff.

**Third Party** –a Conservation Service Provider or a Curtailment Service Provider.



## **RULES AND REGULATIONS**

### **1. THE TARIFF**

- 1.1 Filing and Posting.** A copy of this Tariff is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website [www.firstenergycorp.com](http://www.firstenergycorp.com).
- 1.2 Revisions.** Subject to Section 2.3, this Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all Third Parties seeking to obtain Customer Data pertaining to Customers located in the Company's service territory. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of service in addition to any other remedies available to the Company.
- 1.4 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

## 2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff defines the circumstances and terms and conditions under which the Company provides or makes available retail Customer Data to a Third Party.
- 2.2 Relationship of the Company, Customer, and Third Party.** The Company provides electric service to a Customer in accordance with the EDC Tariff. Through the course of providing this service the Company obtains, compiles, and stores Customer Data.
- 2.2.1** A Third Party must be authorized by a Customer to obtain data specific to such Customer from the Company. The Company must provide or make available, or both, such data to such Third Party subject to the terms, conditions, and limitations set forth in this Tariff.
- 2.2.2** The Company is not a party to the manner in which data are utilized by a Third Party and is not bound by any term, condition, or provision of any program or process employed by a Third Party in its utilization of such data. Any contractual arrangement to which a Third Party and Customer are parties is not part of this Tariff or the EDC Tariff. The Company is not a party to any such contractual arrangement between a Third Party and a Customer and is not bound by any term, condition, or provision of such an agreement.
- 2.2.3** A Third Party is not an agent of the Company. A Third Party has no authority to enter into any agreement on behalf of the Company; to amend, modify, or alter any of the Company's tariffs, contracts, or procedures; or to bind the Company by making any promises, representations, or omissions.
- 2.2.4** A Third Party has no authority to enter into any agreement pertaining to a Customer's electric service on behalf of such Customer or to modify or alter any such agreement on behalf of the Customer, or to bind the Customer by making any promises, representations, or omissions pertaining to such agreement.
- 2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), as amended, or any rule, regulation, order, or determination of FERC under the FPA, then such FERC rule, regulation, order, or determination of the FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order, or determination of FERC

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 10

under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

### 3. COMMENCEMENT OF SERVICE

- 3.1 Prerequisites of Service.** Before commencing service hereunder, a Third Party must comply with the following prerequisites of service.
- 3.1.1** A Third Party must submit a completed registration form to the Company that acknowledges and accepts the Terms of Service set forth in Section 4 of this Tariff.
- 3.1.2** A Third Party must demonstrate that it can meet all applicable continuing obligations described in Section 4 of this Tariff.
- 3.1.3** A Third Party must have and demonstrate through the completion of any applicable Company testing program the ability to electronically access or retrieve, or both, data the Company provides or makes available, or both, in accordance with the Company's practices, procedures, and systems employed to provide or make available, or both, such data.
- 3.2 Incomplete Registrations.** In the event the Third Party submits an incomplete registration, the Company shall provide written notice to the Third Party of the registration's deficiencies within five (5) business days after the date of service of the registration. The Company will not process an incomplete application until the Third Party corrects the deficiencies and delivers a completed registration to the Company.
- 3.3 Commencement of Service.** Service hereunder shall commence within five (5) business days after the Company's acceptance of Third Party's complete registration provided that all of the information necessary for the Company to provide service hereunder has been submitted to the Company and any conditions established under Section 3.6 have been satisfied by the Third Party.

#### 4. TERMS OF SERVICE

**4.1 Third Party Continuing Obligations.** The Third Party must continue to abide by the prerequisites of service of this Tariff, as applicable. In order to access or retrieve, or both, data specific to a Customer, the Third Party must accept the following terms of service:

- (a) The Third Party must obtain and maintain appropriate authorization from the Customer to access or retrieve, or both, data specific to the Customer, with such authorization documented in writing or electronically using the standard form set forth in Appendix B. If an authorization obtained by a Third Party from a Customer that allows such Third Party to access or retrieve, or both, data specific to such Customer expires or is revoked for any reason, the Third Party must no longer request access to or retrieve, or both, such data.
- (b) The Third Party will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.
- (c) The Third Party acknowledges that any data specific to a Customer that it accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.
- (d) The Third Party agrees that data specific to a Customer must not be sold or licensed to any other entity for any purpose.
- (e) The Third Party agrees to indemnify, defend, and hold harmless the Company from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of such Third Party in connection with the performance of its obligations under this Tariff, (ii) such Third Party's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by a Third Party of its representations and promises.

**4.2 Disclosure of Information Without Customer Authorization.** Customer authorization is not required for a Third Party to access or retrieve, or both, Aggregated Customer Data or Anonymous Customer Data, or both, as described in Section 5 of this Tariff.

**4.3 Company Continuing Obligations.** For a situation in which the Company must provide or make available, or both, to a Third Party data specific to a Customer as described in Section 5.1.1 of this Tariff, such data must be provided or made available, or both, within one business day after the Company determines the data are available for the Customer,

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 13

provided the Third Party is in compliance with applicable provisions in Section 3.1 of this Tariff and submits a request for such data prior to 5:00 p.m. Eastern Prevailing Time on the previous business day. The Company is not required to provide or make available, or both, revisions to data after such data are provided or made available, or both, to a Third Party in accordance with the provisions of this Tariff. In the event a Customer notifies the Company that a Third Party's authorization to access data specific to such Customer is terminated or revoked, the Company must terminate such Third Party's further access to Customer Data under this Tariff within 5 business days after receiving such notification from the Customer.

- 4.4 Charges.** As applicable, charges are assessed by the Company for data provided or made available, or both, to such Third Party in accordance with the provisions of Section 5.2 of this Tariff. With respect to each request to access or retrieve, or both, Customer Data that is not available through standard automated processes, the Company will assess the requesting Third Party a charge of \$53 per hour, which will be billed by the Company in one-minute intervals.

## 5. DATA REQUEST AND RELEASE PROCESS

**5.1 Data Options.** A Third Party may access Customer Data in accordance with one or more of the following options, as applicable, provided such Third Party complies with applicable provisions in Section 4.1 (Third Party Continuing Obligations).

**5.1.1 Individual Customer Data.** As authorized by a Customer, a Third Party may access the data that are available for such Customer, including, but not limited to, usage for up to twelve consecutive months, load profile, rate class, peak load contribution, and network system peak load, via EDI or through a secure portion of the Company's website.

**5.1.2 Aggregated and Anonymous Customer Data.** A Third Party may request access to Aggregated Customer Data and Anonymous Customer Data as described in Section 5.2.

**5.2 Requests for Aggregated and Anonymous Customer Data.** A Third Party requesting Aggregated or Anonymous, or both, Customer Data will do so by submitting to the Company a data request through a secure portion of the Company's website that contains fields for the following information:

- (a) Name, address, phone, and email address of the Third Party requesting the data;
- (b) A description of the data requested and to be released;
- (c) A statement of the purpose for which the data will be used by the Third Party; and
- (d) A description of the time period for the data to be disclosed (e.g., twelve months of historical data).

**5.3 Company Response to Requests for Aggregated and Anonymous Customer Data.** Following the submission of a request for data by a Third Party in accordance with Section 5.2 of this Tariff, the Company will:

- (a) Confirm receipt of the request within three business days of receiving a request for data from a Third Party;
- (b) Respond within three business days of receiving a request for data from a Third Party as to whether any additional information is required for the Company to process the request;

Metropolitan Edison Company

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- (c) Inform Third Party within ten business days of receiving a completed request for data as to whether it is able to grant the request and provide a proposed schedule for providing the requested data. If the Company responds that it cannot grant access to the requested data, it will provide specific reasons for why it cannot provide the data or offer other options for providing data access; and
- (d) Notify the requesting Third Party of the data transmission and security requirements.

**5.4 Standardized Data Output and Delivery.** All data outputs will be in standard formats. Data will be accessible in specified formats such as XML or other agreed-upon formats. The Company will provide data through EDI or on a secure server on the Company's website where the requestor will retrieve it.



## 6. CONFIDENTIALITY OF INFORMATION

- 6.1 Generally.** All confidential or proprietary information made available by one party to the other in connection with the registration by a Third Party with the Company or the subsequent provision and receipt of Customer Data under this Tariff, or both, including, but not limited to, information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company receiving or providing Customer Data hereunder. Other than disclosures to representatives of the Company or Third Party for the purposes of enabling that party to fulfill its obligations under this Tariff, a party may not disclose confidential or proprietary information without the prior authorization or consent, or both, of the other party.
- 6.2 Customer Information.** The Third Party shall keep all Customer Data supplied by the Company confidential unless the Third Party has the Customer's written authorization to do otherwise.

## 7. PAYMENT AND BILLING

**7.1 Third Party Payment of Obligations to the Company.** A Third Party shall pay all Charges it incurs hereunder in accordance with the following provisions:

**7.1.1 Billing Procedure.** Each month, the Company shall submit an invoice to the Third Party reflecting all of the Charges assessed to it by the Company for all of the services provided to Third Party under this Tariff during the applicable billing period. The invoice may be transmitted to the Third Party by any reasonable method requested by the Third Party. A Third Party shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days from the date of transmittal of the bill.

**7.1.2 Manner of Payment.** The Third Party shall remit payment to the Company by wire transfer to a bank designated in Section 7.1.3 of this Tariff. If disputes arise regarding a Third Party bill, the Third Party must pay the undisputed portion of disputed bills under investigation.

**7.1.3 Wire Transfer.** Payment to the Company by the Third Party must be made by electronic wire transfer or such other means as will cause payment to be available for use by the Company on the due date. All payments shall be wire transferred to:

Bank:	JP Morgan Chase
ABA No.:	021000021
Account Name:	FirstEnergy Service Company
Account No.:	323396364

**7.1.4 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month of the unpaid balance.

## 8. LIABILITY

- 8.1 Limitations on Liability.** The Company is not liable for any act, omission, promise, or representation of any Third Party. To the extent that the Company receives a properly submitted request for applicable Customer Data and acts in accordance with the provisions of this Tariff, the Company is not liable for any conflict such actions may cause between a Third Party and a Customer. Although data provided or made available, or both, in accordance with the provision of this Tariff and produced and processed via Company systems and sources is considered to be reliable by the Company, no warranty expressed or implied is made regarding the accuracy adequacy, completeness, legality, reliability, or usefulness of any such data and applies to both the isolated and aggregated use of such data. The Company provides or makes available, or both, such data on an “as is” basis. All warranties of any kind expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, freedom from contamination or corruption of any kind, and noninfringement of proprietary rights are disclaimed.

## 9. TERMINATION OF SERVICE

**9.1 Termination.** A Third Party has the right to terminate service hereunder at any time, upon notification to the Company.

The Company will terminate service permanently to a Third Party who fails to abide by the provisions set forth in the Third Party Continuing Obligations section of this Tariff (i.e., Section 4.1).

Also, the Company has the right to terminate service hereunder to a Third Party if:

- (a) The Third Party fails to make timely payments to the Company, as required by Section 7 of this Tariff, to access or retrieve, or both, data provided to or made available to, or both, such Third Party in accordance with the provisions of this Tariff; or
- (b) The Third Party is determined by the PaPUC or applicable court of law to be responsible for fraudulent representation or activity in association with this Tariff, which includes, but is not limited to, the unauthorized access or retrieval, or both, of Customer Data;

**9.2 Survival of Obligations.** Termination of service hereunder for any reason shall not relieve the Company or a Third Party of any obligation accrued or accruing prior to such termination.

## 10. ALTERNATIVE DISPUTE RESOLUTION

- 10.1 Informal Resolution of Disputes.** The Company and Third Party shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff or the conduct of activities, or both, hereunder. The Third Party's point of contact for all information, operations, questions, and problems under this Tariff shall be the Company's Customer Data Access Group.
- 10.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and a Third Party under this Tariff shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon), such dispute, by mutual agreement, may be referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.3 External Arbitration Procedures.** The arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. The arbitrator(s) chosen shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.
- 10.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms, and conditions of service or facilities.

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

- 10.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
  - (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.
- 10.6 Rights Under the FPA.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA.
- 10.7 Rights Under the Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

## 11. MISCELLANEOUS

- 11.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the Third Party at the address or email provided to the Company in its completed registration form and to the Company at the address on the first page of this Tariff or the email stated on the secure portion of the Company's website dedicated to requests for Customer Data. If given by electronic transmission, notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Third Party may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 11.2 No Prejudice of Rights.** The failure by either the Company or the Third Party to enforce any of the terms of this Tariff shall not be deemed a waiver of the right of either to do so.
- 11.3 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment, and termination of this Tariff shall be governed by the laws of the Commonwealth of Pennsylvania.

The Tariff, and the performance of the parties' obligations hereunder, are subject to and contingent upon (i) present and future local, state, and federal laws and (ii) present and future regulations or orders of any local, state, or federal regulating authority having jurisdiction over the matter set forth herein.

If at any time during the term of the Tariff, FERC, the PaPUC, or a court of competent jurisdiction issues an order under which a party hereto believes that its rights or interests, or both, under the Tariff are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights or interests. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue.

Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 23

Appendix A  
**DATA ACCESS REGISTRATION FORM**

Name of Registrant:	D&B DUNS Number:
Please state whether Registrant is a Curtailment Service Provider or Conservation Service Provider :	Years in Business: URL for Registrant's Website:
Contact Name:	Title:
E-mail:	Phone:
Address: City:	State: Zip Code:
<p><b>To obtain or retrieve, or both, Customer Data maintained by Metropolitan Edison Company ("Met-Ed" or "Company"), Registrant must submit electronic requests via the secure portal available at <a href="http://www.firstenergy.com/">www.firstenergy.com/</a>. Following submission of this completed registration form, the Company will provide Registrant a username and password to access the portal.</b></p>	
<p>The submission of this Registration Form to Met-Ed shall constitute the Registrant's acknowledgement and acceptance of all the terms, conditions, and requirements of the Third-Party Data Access Tariff approved by the Pennsylvania Public Utility Commission (the "Commission" or "PUC") at Docket Nos. P-2021-_____ et al. (the "Tariff").</p> <p>By sending an electronic request for Customer Data to Met-Ed, Registrant represents and warrants that:</p> <ol style="list-style-type: none"> <li>1. Registrant has obtained valid and appropriate customer authorization to access or retrieve, or both, data specific to such customer.</li> <li>2. Registrant will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.</li> <li>3. Any customer-specific data that Registrant accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.</li> <li>4. Any data specific to a Customer must not be sold or licensed to any other entity for any purpose.</li> <li>5. Registrant agrees to indemnify, defend, and hold the Company harmless from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of Registrant in connection with the performance of its obligations under the Tariff, (ii) Registrant's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by Registrant of its representations and promises.</li> </ol>	
<p>The undersigned represents and warrants that they have the authority to act on behalf of and to bind Registrant to perform the terms and conditions set forth herein.</p>	
Signature of Authorized Representative:	Date:
Name:	Title:



Metropolitan Edison Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

Appendix B  
**CUSTOMER AUTHORIZATION FORM**

## Customer Letter of Authorization Form

(please complete one copy of this form for each electric distribution company)

We hereby authorize \_\_\_\_\_ to act on our behalf to secure historical electric usage information on an ongoing basis for the purpose of evaluating historical energy usage patterns and other relevant information for the provision of energy related services. This authorization will remain in effect for twenty-four (24) months or until we provide \_\_\_\_\_ with thirty (30) days advance written notice of termination of the authorization whichever is earlier. \_\_\_\_\_ will treat all historical electric usage information obtained under this authorization as confidential information.

*This form must be completed in its entirety and signed by the customer of record or by someone who has power of attorney or other legal right to sign the customer's name on their behalf.*

SIGNED

DATE

PRINT NAME

TITLE

PHONE

FAX

EMAIL

CUSTOMER LEGAL ENTITY NAME

ADDRESS

ELECTRIC DISTRIBUTION COMPANY NAME

**20-DIGIT CUSTOMER NUMBER(S) (AS SHOWN ON PAGE 3 OF LATEST BILL)**

PLEASE ATTACH CUSTOMER NUMBERS OR INCLUDE ELECTRONIC LIST IF REQUESTING MORE THAN 5 ACCOUNTS

Return this completed form and one utility bill for each electric distribution company account to your account representative at \_\_\_\_\_.

**Curtailment Service Providers and Conservation Service Providers (Pennsylvania only) should return completed Customer Letter of Authorization forms to [csprequests@firstenergycorp.com](mailto:csprequests@firstenergycorp.com)**

**EXHIBIT G-2**

**PENNSYLVANIA ELECTRIC COMPANY  
THIRD PARTY DATA ACCESS TARIFF**

Electric Pa P.U.C. No. \_\_\_\_

**PENNSYLVANIA ELECTRIC COMPANY**

**Third Party Data Access Tariff**

**Company Office Location**

2800 Pottsville Pike  
P. O. Box 16001  
Reading, Pennsylvania 19612

Issued:

Effective: June 1, 2023

**Samuel L. Belcher, President**

NOTICE

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Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 2

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**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations. ....	5
RULES AND REGULATIONS:	
1. The Tariff.....	8
2. Scope and Purpose of Tariff .....	9
3. Commencement of Service .....	11
4. Terms of Service .....	12
5. Data Request and Release Process.....	14
6. Confidentiality of Information.....	16
7. Payment and Billing.....	17
8. Liability.....	18
9. Termination of Service .....	19
10. Alternative Dispute Resolution.....	20
11. Miscellaneous .....	22
APPENDIX	
Data Access Registration Form .....	23

### **HOW TO USE LOOSE-LEAF TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as “original page,” consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1—for example: “Original Page No. 2,” “Original Page No. 3,” etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as “First Revised Page No....,” the second time as “Second Revised Page No....,” etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as “First Revised Page No. 2, superseding Original Page No. 2”; and the added page would be issued as “Original Page No. 2A.” If a second added page should be required, it would be issued as “Original Page No. 2B.” Subsequent reprints will be consecutively designated as “First Revised...,” “Second Revised...,” etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked “See following page for pending revision.” On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

## **DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS**

**Aggregated Customer Data** – information pertaining to retail customers that has been (a) assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information and (b) subjected to analysis functions to develop summation average or other analytical statistics, or both, for specific groups of retail customers in a manner that precludes the determination of the individual identities of the retail customer to which such information pertains.

**Anonymous Customer Data** – information pertaining to retail customers that has been assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information.

**AMI Interval Data** – electric demand and energy usage that are measured over specific consistent incremental time periods by advanced metering infrastructure (“AMI”) metering facilities provided by the Company at a retail customer’s premises and that may or may not be subject to the Company’s validation, editing, and estimation (“VEE”) processes or directly used for the purposes of determining the amounts owed by such retail customer for electric services.

**Charges** - all charges stated in the “Charges” section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for service performed hereunder.

**Company** – Pennsylvania Electric Company (“Penelec”).

**Competition Act** - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

**Conservation Service Provider** – an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership, or other affiliated interest with an electric distribution company (66 Pa.C.S. § 2806.1.(m)).

**Curtailed Service Provider** - a PJM member or a special member, which action on behalf of itself or one or more other members or non-members, participates in the PJM Interchange Energy Market, Ancillary Services markets, Reliability Pricing Model, or any combination thereof by causing a reduction in demand.

**Customer** - a retail electric customer as defined in the Competition Act.



Definitions (Continued)

**Customer Data** – information pertaining to retail customers, including AMI Interval Data and customer account information, such as customer address, contact information, payment history, account number, and amount billed.

**Electric Distribution Company (or “EDC”)** - shall have the meaning set forth in the Competition Act.

**EDC Tariff** - the Company’s current PaPUC approved Electric Service Tariff, Pa. P.U.C. No. 81 (Pennsylvania Electric Company).

**Electric Generation Supplier** – any person, corporation, or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission, and ancillary services to Customers in the Company’s service territory under and pursuant to the Competition Act.

**Electronic Data Interchange (“EDI”)** – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

**FERC** - the Federal Energy Regulatory Commission.

**FirstEnergy Corp. (“FirstEnergy”)** – the parent company of Cleveland Electric Illuminating Company, Jersey Central Power and Light Company, Metropolitan Edison Company, Monongahela Power Company, Ohio Edison Company (and its wholly owned subsidiary, Pennsylvania Power Company), Pennsylvania Electric Company, Potomac Edison Company, Toledo Edison Company, and West Penn Power Company.

**Market Participant** – has the same meaning as set forth in the PJM Tariff.

**PaPUC (or “Commission”)** - the Pennsylvania Public Utility Commission.

**PJM** - the regional transmission organization operated by PJM Interconnection, L.L.C., or its successor.

**PJM Tariff** – the PJM Open Access Transmission Tariff, including schedules and exhibits.

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 7

Definitions (Continued)

**Tariff** – this Third-Party Data Access Tariff.

**Third Party** –a Conservation Service Provider or a Curtailment Service Provider.

## **RULES AND REGULATIONS**

### **1. THE TARIFF**

- 1.1 Filing and Posting.** A copy of this Tariff is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website [www.firstenergycorp.com](http://www.firstenergycorp.com).
- 1.2 Revisions.** Subject to Section 2.3, this Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all Third Parties seeking to obtain Customer Data pertaining to Customers located in the Company's service territory. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of service in addition to any other remedies available to the Company.
- 1.4 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

## 2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff defines the circumstances and terms and conditions under which the Company provides or makes available retail Customer Data to a Third Party.
- 2.2 Relationship of the Company, Customer, and Third Party.** The Company provides electric service to a Customer in accordance with the EDC Tariff. Through the course of providing this service the Company obtains, compiles, and stores Customer Data.
- 2.2.1** A Third Party must be authorized by a Customer to obtain data specific to such Customer from the Company. The Company must provide or make available, or both, such data to such Third Party subject to the terms, conditions, and limitations set forth in this Tariff.
- 2.2.2** The Company is not a party to the manner in which data are utilized by a Third Party and is not bound by any term, condition, or provision of any program or process employed by a Third Party in its utilization of such data. Any contractual arrangement to which a Third Party and Customer are parties is not part of this Tariff or the EDC Tariff. The Company is not a party to any such contractual arrangement between a Third Party and a Customer and is not bound by any term, condition, or provision of such an agreement.
- 2.2.3** A Third Party is not an agent of the Company. A Third Party has no authority to enter into any agreement on behalf of the Company; to amend, modify, or alter any of the Company's tariffs, contracts, or procedures; or to bind the Company by making any promises, representations, or omissions.
- 2.2.4** A Third Party has no authority to enter into any agreement pertaining to a Customer's electric service on behalf of such Customer or to modify or alter any such agreement on behalf of the Customer, or to bind the Customer by making any promises, representations, or omissions pertaining to such agreement.
- 2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), as amended, or any rule, regulation, order, or determination of FERC under the FPA, then such FERC rule, regulation, order, or determination of the FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order, or determination of FERC

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 10

under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

### 3. COMMENCEMENT OF SERVICE

- 3.1 Prerequisites of Service.** Before commencing service hereunder, a Third Party must comply with the following prerequisites of service.
- 3.1.1** A Third Party must submit a completed registration form to the Company that acknowledges and accepts the Terms of Service set forth in Section 4 of this Tariff.
- 3.1.2** A Third Party must demonstrate that it can meet all applicable continuing obligations described in Section 4 of this Tariff.
- 3.1.3** A Third Party must have and demonstrate through the completion of any applicable Company testing program the ability to electronically access or retrieve, or both, data the Company provides or makes available, or both, in accordance with the Company's practices, procedures, and systems employed to provide or make available, or both, such data.
- 3.2 Incomplete Registrations.** In the event the Third Party submits an incomplete registration, the Company shall provide written notice to the Third Party of the registration's deficiencies within five (5) business days after the date of service of the registration. The Company will not process an incomplete application until the Third Party corrects the deficiencies and delivers a completed registration to the Company.
- 3.3 Commencement of Service.** Service hereunder shall commence within five (5) business days after the Company's acceptance of Third Party's complete registration provided that all of the information necessary for the Company to provide service hereunder has been submitted to the Company and any conditions established under Section 3.6 have been satisfied by the Third Party.

#### 4. TERMS OF SERVICE

**4.1 Third Party Continuing Obligations.** The Third Party must continue to abide by the prerequisites of service of this Tariff, as applicable. In order to access or retrieve, or both, data specific to a Customer, the Third Party must accept the following terms of service:

- (a) The Third Party must obtain and maintain appropriate authorization from the Customer to access or retrieve, or both, data specific to the Customer, with such authorization documented in writing or electronically using the standard form set forth in Appendix B. If an authorization obtained by a Third Party from a Customer that allows such Third Party to access or retrieve, or both, data specific to such Customer expires or is revoked for any reason, the Third Party must no longer request access to or retrieve, or both, such data.
- (b) The Third Party will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.
- (c) The Third Party acknowledges that any data specific to a Customer that it accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.
- (d) The Third Party agrees that data specific to a Customer must not be sold or licensed to any other entity for any purpose.
- (e) The Third Party agrees to indemnify, defend, and hold harmless the Company from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of such Third Party in connection with the performance of its obligations under this Tariff, (ii) such Third Party's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by a Third Party of its representations and promises.

**4.2 Disclosure of Information Without Customer Authorization.** Customer authorization is not required for a Third Party to access or retrieve, or both, Aggregated Customer Data or Anonymous Customer Data, or both, as described in Section 5 of this Tariff.

**4.3 Company Continuing Obligations.** For a situation in which the Company must provide or make available, or both, to a Third Party data specific to a Customer as described in Section 5.1.1 of this Tariff, such data must be provided or made available, or both, within one business day after the Company determines the data are available for the Customer,

provided the Third Party is in compliance with applicable provisions in Section 3.1 of this Tariff and submits a request for such data prior to 5:00 p.m. Eastern Prevailing Time on the previous business day. The Company is not required to provide or make available, or both, revisions to data after such data are provided or made available, or both, to a Third Party in accordance with the provisions of this Tariff. In the event a Customer notifies the Company that a Third Party's authorization to access data specific to such Customer is terminated or revoked, the Company must terminate such Third Party's further access to Customer Data under this Tariff within 5 business days after receiving such notification from the Customer.

- 4.4 Charges.** As applicable, charges are assessed by the Company for data provided or made available, or both, to such Third Party in accordance with the provisions of Section 5.2 of this Tariff. With respect to each request to access or retrieve, or both, Customer Data that is not available through standard automated processes, the Company will assess the requesting Third Party a charge of \$53 per hour, which will be billed by the Company in one-minute intervals.



## 5. DATA REQUEST AND RELEASE PROCESS

**5.1 Data Options.** A Third Party may access Customer Data in accordance with one or more of the following options, as applicable, provided such Third Party complies with applicable provisions in Section 4.1 (Third Party Continuing Obligations).

**5.1.1 Individual Customer Data.** As authorized by a Customer, a Third Party may access the data that are available for such Customer, including, but not limited to, usage for up to twelve consecutive months, load profile, rate class, peak load contribution, and network system peak load, via EDI or through a secure portion of the Company's website.

**5.1.2 Aggregated and Anonymous Customer Data.** A Third Party may request access to Aggregated Customer Data and Anonymous Customer Data as described in Section 5.2.

**5.2 Requests for Aggregated and Anonymous Customer Data.** A Third Party requesting Aggregated or Anonymous, or both, Customer Data will do so by submitting to the Company a data request through a secure portion of the Company's website that contains fields for the following information:

- (a) Name, address, phone, and email address of the Third Party requesting the data;
- (b) A description of the data requested and to be released;
- (c) A statement of the purpose for which the data will be used by the Third Party; and
- (d) A description of the time period for the data to be disclosed (e.g., twelve months of historical data).

**5.3 Company Response to Requests for Aggregated and Anonymous Customer Data.** Following the submission of a request for data by a Third Party in accordance with Section 5.2 of this Tariff, the Company will:

- (a) Confirm receipt of the request within three business days of receiving a request for data from a Third Party;
- (b) Respond within three business days of receiving a request for data from a Third Party as to whether any additional information is required for the Company to process the request;

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 15

- (c) Inform Third Party within ten business days of receiving a completed request for data as to whether it is able to grant the request and provide a proposed schedule for providing the requested data. If the Company responds that it cannot grant access to the requested data, it will provide specific reasons for why it cannot provide the data or offer other options for providing data access; and
- (d) Notify the requesting Third Party of the data transmission and security requirements.

**5.4 Standardized Data Output and Delivery.** All data outputs will be in standard formats. Data will be accessible in specified formats such as XML or other agreed-upon formats. The Company will provide data through EDI or on a secure server on the Company's website where the requestor will retrieve it.

## 6. CONFIDENTIALITY OF INFORMATION

- 6.1 Generally.** All confidential or proprietary information made available by one party to the other in connection with the registration by a Third Party with the Company or the subsequent provision and receipt of Customer Data under this Tariff, or both, including, but not limited to, information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company receiving or providing Customer Data hereunder. Other than disclosures to representatives of the Company or Third Party for the purposes of enabling that party to fulfill its obligations under this Tariff, a party may not disclose confidential or proprietary information without the prior authorization or consent, or both, of the other party.
- 6.2 Customer Information.** The Third Party shall keep all Customer Data supplied by the Company confidential unless the Third Party has the Customer's written authorization to do otherwise.

## 7. PAYMENT AND BILLING

**7.1 Third Party Payment of Obligations to the Company.** A Third Party shall pay all Charges it incurs hereunder in accordance with the following provisions:

**7.1.1 Billing Procedure.** Each month, the Company shall submit an invoice to the Third Party reflecting all of the Charges assessed to it by the Company for all of the services provided to Third Party under this Tariff during the applicable billing period. The invoice may be transmitted to the Third Party by any reasonable method requested by the Third Party. A Third Party shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days from the date of transmittal of the bill.

**7.1.2 Manner of Payment.** The Third Party shall remit payment to the Company by wire transfer to a bank designated in Section 7.1.3 of this Tariff. If disputes arise regarding a Third Party bill, the Third Party must pay the undisputed portion of disputed bills under investigation.

**7.1.3 Wire Transfer.** Payment to the Company by the Third Party must be made by electronic wire transfer or such other means as will cause payment to be available for use by the Company on the due date. All payments shall be wire transferred to:

Bank:	JP Morgan Chase
ABA No.:	021000021
Account Name:	FirstEnergy Service Company
Account No.:	323396364

**7.1.4 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month of the unpaid balance.

## 8. LIABILITY

- 8.1 Limitations on Liability.** The Company is not liable for any act, omission, promise, or representation of any Third Party. To the extent that the Company receives a properly submitted request for applicable Customer Data and acts in accordance with the provisions of this Tariff, the Company is not liable for any conflict such actions may cause between a Third Party and a Customer. Although data provided or made available, or both, in accordance with the provision of this Tariff and produced and processed via Company systems and sources is considered to be reliable by the Company, no warranty expressed or implied is made regarding the accuracy adequacy, completeness, legality, reliability, or usefulness of any such data and applies to both the isolated and aggregated use of such data. The Company provides or makes available, or both, such data on an “as is” basis. All warranties of any kind expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, freedom from contamination or corruption of any kind, and noninfringement of proprietary rights are disclaimed.

## 9. TERMINATION OF SERVICE

- 9.1 Termination.** A Third Party has the right to terminate service hereunder at any time, upon notification to the Company.

The Company will terminate service permanently to a Third Party who fails to abide by the provisions set forth in the Third Party Continuing Obligations section of this Tariff (i.e., Section 4.1).

Also, the Company has the right to terminate service hereunder to a Third Party if:

- (a) The Third Party fails to make timely payments to the Company, as required by Section 7 of this Tariff, to access or retrieve, or both, data provided to or made available to, or both, such Third Party in accordance with the provisions of this Tariff; or
  - (b) The Third Party is determined by the PaPUC or applicable court of law to be responsible for fraudulent representation or activity in association with this Tariff, which includes, but is not limited to, the unauthorized access or retrieval, or both, of Customer Data;
- 9.2 Survival of Obligations.** Termination of service hereunder for any reason shall not relieve the Company or a Third Party of any obligation accrued or accruing prior to such termination.

## 10. ALTERNATIVE DISPUTE RESOLUTION

- 10.1 Informal Resolution of Disputes.** The Company and Third Party shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff or the conduct of activities, or both, hereunder. The Third Party's point of contact for all information, operations, questions, and problems under this Tariff shall be the Company's Customer Data Access Group.
- 10.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and a Third Party under this Tariff shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon), such dispute, by mutual agreement, may be referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.3 External Arbitration Procedures.** The arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. The arbitrator(s) chosen shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.
- 10.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms, and conditions of service or facilities.

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

- 10.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
  - (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.
- 10.6 Rights Under the FPA.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA.
- 10.7 Rights Under the Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.



## 11. MISCELLANEOUS

- 11.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the Third Party at the address or email provided to the Company in its completed registration form and to the Company at the address on the first page of this Tariff or the email stated on the secure portion of the Company's website dedicated to requests for Customer Data. If given by electronic transmission, notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Third Party may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 11.2 No Prejudice of Rights.** The failure by either the Company or the Third Party to enforce any of the terms of this Tariff shall not be deemed a waiver of the right of either to do so.
- 11.3 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment, and termination of this Tariff shall be governed by the laws of the Commonwealth of Pennsylvania.

The Tariff, and the performance of the parties' obligations hereunder, are subject to and contingent upon (i) present and future local, state, and federal laws and (ii) present and future regulations or orders of any local, state, or federal regulating authority having jurisdiction over the matter set forth herein.

If at any time during the term of the Tariff, FERC, the PaPUC, or a court of competent jurisdiction issues an order under which a party hereto believes that its rights or interests, or both, under the Tariff are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights or interests. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue.

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 23

Appendix A  
**DATA ACCESS REGISTRATION FORM**

Name of Registrant:	D&B DUNS Number:
Please state whether Registrant is a Curtailment Service Provider or Conservation Service Provider :	Years in Business: URL for Registrant’s Website:
Contact Name:	Title:
E-mail:	Phone:
Address: City:	State: Zip Code:
<p><b>To obtain or retrieve, or both, Customer Data maintained by Pennsylvania Electric Company (“Penelec” or “Company”), Registrant must submit electronic requests via the secure portal available at <a href="http://www.firstenergy.com/">www.firstenergy.com/</a>. Following submission of this completed registration form, the Company will provide Registrant a username and password to access the portal.</b></p>	
<p>The submission of this Registration Form to Penelec shall constitute the Registrant’s acknowledgement and acceptance of all the terms, conditions, and requirements of the Third-Party Data Access Tariff approved by the Pennsylvania Public Utility Commission (the “Commission” or “PUC”) at Docket Nos. P-2021-_____ et al. (the “Tariff”).</p> <p>By sending an electronic request for Customer Data to Penelec, Registrant represents and warrants that:</p> <ol style="list-style-type: none"> <li>1. Registrant has obtained valid and appropriate customer authorization to access or retrieve, or both, data specific to such customer.</li> <li>2. Registrant will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.</li> <li>3. Any customer-specific data that Registrant accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.</li> <li>4. Any data specific to a Customer must not be sold or licensed to any other entity for any purpose.</li> <li>5. Registrant agrees to indemnify, defend, and hold the Company harmless from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of Registrant in connection with the performance of its obligations under the Tariff, (ii) Registrant’s use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by Registrant of its representations and promises.</li> </ol>	
<p>The undersigned represents and warrants that they have the authority to act on behalf of and to bind Registrant to perform the terms and conditions set forth herein.</p>	
Signature of Authorized Representative:	Date:
Name:	Title:

Pennsylvania Electric Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

Appendix B  
**CUSTOMER AUTHORIZATION FORM**

## Customer Letter of Authorization Form

(please complete one copy of this form for each electric distribution company)

We hereby authorize \_\_\_\_\_ to act on our behalf to secure historical electric usage information on an ongoing basis for the purpose of evaluating historical energy usage patterns and other relevant information for the provision of energy related services. This authorization will remain in effect for twenty-four (24) months or until we provide \_\_\_\_\_ with thirty (30) days advance written notice of termination of the authorization whichever is earlier. \_\_\_\_\_ will treat all historical electric usage information obtained under this authorization as confidential information.

*This form must be completed in its entirety and signed by the customer of record or by someone who has power of attorney or other legal right to sign the customer's name on their behalf.*

SIGNED

DATE

PRINT NAME

TITLE

PHONE

FAX

EMAIL

CUSTOMER LEGAL ENTITY NAME

ADDRESS

ELECTRIC DISTRIBUTION COMPANY NAME

**20-DIGIT CUSTOMER NUMBER(S) (AS SHOWN ON PAGE 3 OF LATEST BILL)**

PLEASE ATTACH CUSTOMER NUMBERS OR INCLUDE ELECTRONIC LIST IF REQUESTING MORE THAN 5 ACCOUNTS

Return this completed form and one utility bill for each electric distribution company account to your account representative at \_\_\_\_\_.

**Curtailment Service Providers and Conservation Service Providers (Pennsylvania only) should return completed Customer Letter of Authorization forms to [csprequests@firstenergycorp.com](mailto:csprequests@firstenergycorp.com)**

**EXHIBIT G-3**

**PENNSYLVANIA POWER COMPANY  
THIRD PARTY DATA ACCESS TARIFF**

Electric Pa P.U.C. No. \_\_\_\_

**PENNSYLVANIA POWER COMPANY**

**Third Party Data Access Tariff**

**Company Office Location**

2800 Pottsville Pike  
P. O. Box 16001  
Reading, Pennsylvania 19612

Issued:

Effective: June 1, 2023

**Samuel L. Belcher, President**

NOTICE

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Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 2

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**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations. ....	5
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	8
2. Scope and Purpose of Tariff .....	9
3. Commencement of Service .....	11
4. Terms of Service .....	12
5. Data Request and Release Process.....	14
6. Confidentiality of Information.....	16
7. Payment and Billing.....	17
8. Liability.....	18
9. Termination of Service .....	19
10. Alternative Dispute Resolution.....	20
11. Miscellaneous .....	22
<b>APPENDIX</b>	
Data Access Registration Form .....	23



### **HOW TO USE LOOSE-LEAF TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as “original page,” consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1—for example: “Original Page No. 2,” “Original Page No. 3,” etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as “First Revised Page No....,” the second time as “Second Revised Page No....,” etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as “First Revised Page No. 2, superseding Original Page No. 2”; and the added page would be issued as “Original Page No. 2A.” If a second added page should be required, it would be issued as “Original Page No. 2B.” Subsequent reprints will be consecutively designated as “First Revised...,” “Second Revised...,” etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked “See following page for pending revision.” On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

## **DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS**

**Aggregated Customer Data** – information pertaining to retail customers that has been (a) assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information and (b) subjected to analysis functions to develop summation average or other analytical statistics, or both, for specific groups of retail customers in a manner that precludes the determination of the individual identities of the retail customer to which such information pertains.

**Anonymous Customer Data** – information pertaining to retail customers that has been assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information.

**AMI Interval Data** – electric demand and energy usage that are measured over specific consistent incremental time periods by advanced metering infrastructure (“AMI”) metering facilities provided by the Company at a retail customer’s premises and that may or may not be subject to the Company’s validation, editing, and estimation (“VEE”) processes or directly used for the purposes of determining the amounts owed by such retail customer for electric services.

**Charges** - all charges stated in the “Charges” section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for service performed hereunder.

**Company** – Pennsylvania Power Company (“Penn Power”).

**Competition Act** - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

**Conservation Service Provider** – an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership, or other affiliated interest with an electric distribution company (66 Pa.C.S. § 2806.1.(m)).

**Curtailed Service Provider** - a PJM member or a special member, which action on behalf of itself or one or more other members or non-members, participates in the PJM Interchange Energy Market, Ancillary Services markets, Reliability Pricing Model, or any combination thereof by causing a reduction in demand.

**Customer** - a retail electric customer as defined in the Competition Act.

Definitions (Continued)

**Customer Data** – information pertaining to retail customers, including AMI Interval Data and customer account information, such as customer address, contact information, payment history, account number, and amount billed.

**Electric Distribution Company (or “EDC”)** - shall have the meaning set forth in the Competition Act.

**EDC Tariff** - the Company’s current PaPUC approved Electric Service Tariff, Pa. P.U.C. No. 36 (Pennsylvania Power Company).

**Electric Generation Supplier** – any person, corporation, or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission, and ancillary services to Customers in the Company’s service territory under and pursuant to the Competition Act.

**Electronic Data Interchange (“EDI”)** – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

**FERC** - the Federal Energy Regulatory Commission.

**FirstEnergy Corp. (“FirstEnergy”)** – the parent company of Cleveland Electric Illuminating Company, Jersey Central Power and Light Company, Metropolitan Edison Company, Monongahela Power Company, Ohio Edison Company (and its wholly owned subsidiary, Pennsylvania Power Company), Pennsylvania Electric Company, Potomac Edison Company, Toledo Edison Company, and West Penn Power Company.

**Market Participant** – has the same meaning as set forth in the PJM Tariff.

**PaPUC (or “Commission”)** - the Pennsylvania Public Utility Commission.

**PJM** - the regional transmission organization operated by PJM Interconnection, L.L.C., or its successor.

**PJM Tariff** – the PJM Open Access Transmission Tariff, including schedules and exhibits.

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 7

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Definitions (Continued)

**Tariff** – this Third-Party Data Access Tariff.

**Third Party** –a Conservation Service Provider or a Curtailment Service Provider.

## **RULES AND REGULATIONS**

### **1. THE TARIFF**

- 1.1 Filing and Posting.** A copy of this Tariff is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website [www.firstenergycorp.com](http://www.firstenergycorp.com).
- 1.2 Revisions.** Subject to Section 2.3, this Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all Third Parties seeking to obtain Customer Data pertaining to Customers located in the Company's service territory. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of service in addition to any other remedies available to the Company.
- 1.4 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

## 2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff defines the circumstances and terms and conditions under which the Company provides or makes available retail Customer Data to a Third Party.
- 2.2 Relationship of the Company, Customer, and Third Party.** The Company provides electric service to a Customer in accordance with the EDC Tariff. Through the course of providing this service the Company obtains, compiles, and stores Customer Data.
- 2.2.1** A Third Party must be authorized by a Customer to obtain data specific to such Customer from the Company. The Company must provide or make available, or both, such data to such Third Party subject to the terms, conditions, and limitations set forth in this Tariff.
- 2.2.2** The Company is not a party to the manner in which data are utilized by a Third Party and is not bound by any term, condition, or provision of any program or process employed by a Third Party in its utilization of such data. Any contractual arrangement to which a Third Party and Customer are parties is not part of this Tariff or the EDC Tariff. The Company is not a party to any such contractual arrangement between a Third Party and a Customer and is not bound by any term, condition, or provision of such an agreement.
- 2.2.3** A Third Party is not an agent of the Company. A Third Party has no authority to enter into any agreement on behalf of the Company; to amend, modify, or alter any of the Company's tariffs, contracts, or procedures; or to bind the Company by making any promises, representations, or omissions.
- 2.2.4** A Third Party has no authority to enter into any agreement pertaining to a Customer's electric service on behalf of such Customer or to modify or alter any such agreement on behalf of the Customer, or to bind the Customer by making any promises, representations, or omissions pertaining to such agreement.
- 2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), as amended, or any rule, regulation, order, or determination of FERC under the FPA, then such FERC rule, regulation, order, or determination of the FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order, or determination of FERC

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 10

under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

### 3. COMMENCEMENT OF SERVICE

- 3.1 Prerequisites of Service.** Before commencing service hereunder, a Third Party must comply with the following prerequisites of service.
- 3.1.1** A Third Party must submit a completed registration form to the Company that acknowledges and accepts the Terms of Service set forth in Section 4 of this Tariff.
- 3.1.2** A Third Party must demonstrate that it can meet all applicable continuing obligations described in Section 4 of this Tariff.
- 3.1.3** A Third Party must have and demonstrate through the completion of any applicable Company testing program the ability to electronically access or retrieve, or both, data the Company provides or makes available, or both, in accordance with the Company's practices, procedures, and systems employed to provide or make available, or both, such data.
- 3.2 Incomplete Registrations.** In the event the Third Party submits an incomplete registration, the Company shall provide written notice to the Third Party of the registration's deficiencies within five (5) business days after the date of service of the registration. The Company will not process an incomplete application until the Third Party corrects the deficiencies and delivers a completed registration to the Company.
- 3.3 Commencement of Service.** Service hereunder shall commence within five (5) business days after the Company's acceptance of Third Party's complete registration provided that all of the information necessary for the Company to provide service hereunder has been submitted to the Company and any conditions established under Section 3.6 have been satisfied by the Third Party.



#### 4. TERMS OF SERVICE

**4.1 Third Party Continuing Obligations.** The Third Party must continue to abide by the prerequisites of service of this Tariff, as applicable. In order to access or retrieve, or both, data specific to a Customer, the Third Party must accept the following terms of service:

- (a) The Third Party must obtain and maintain appropriate authorization from the Customer to access or retrieve, or both, data specific to the Customer, with such authorization documented in writing or electronically using the standard form set forth in Appendix B. If an authorization obtained by a Third Party from a Customer that allows such Third Party to access or retrieve, or both, data specific to such Customer expires or is revoked for any reason, the Third Party must no longer request access to or retrieve, or both, such data.
- (b) The Third Party will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.
- (c) The Third Party acknowledges that any data specific to a Customer that it accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.
- (d) The Third Party agrees that data specific to a Customer must not be sold or licensed to any other entity for any purpose.
- (e) The Third Party agrees to indemnify, defend, and hold harmless the Company from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of such Third Party in connection with the performance of its obligations under this Tariff, (ii) such Third Party's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by a Third Party of its representations and promises.

**4.2 Disclosure of Information Without Customer Authorization.** Customer authorization is not required for a Third Party to access or retrieve, or both, Aggregated Customer Data or Anonymous Customer Data, or both, as described in Section 5 of this Tariff.

**4.3 Company Continuing Obligations.** For a situation in which the Company must provide or make available, or both, to a Third Party data specific to a Customer as described in Section 5.1.1 of this Tariff, such data must be provided or made available, or both, within one business day after the Company determines the data are available for the Customer,

provided the Third Party is in compliance with applicable provisions in Section 3.1 of this Tariff and submits a request for such data prior to 5:00 p.m. Eastern Prevailing Time on the previous business day. The Company is not required to provide or make available, or both, revisions to data after such data are provided or made available, or both, to a Third Party in accordance with the provisions of this Tariff. In the event a Customer notifies the Company that a Third Party's authorization to access data specific to such Customer is terminated or revoked, the Company must terminate such Third Party's further access to Customer Data under this Tariff within 5 business days after receiving such notification from the Customer.

- 4.4 Charges.** As applicable, charges are assessed by the Company for data provided or made available, or both, to such Third Party in accordance with the provisions of Section 5.2 of this Tariff. With respect to each request to access or retrieve, or both, Customer Data that is not available through standard automated processes, the Company will assess the requesting Third Party a charge of \$53 per hour, which will be billed by the Company in one-minute intervals.

## 5. DATA REQUEST AND RELEASE PROCESS

**5.1 Data Options.** A Third Party may access Customer Data in accordance with one or more of the following options, as applicable, provided such Third Party complies with applicable provisions in Section 4.1 (Third Party Continuing Obligations).

**5.1.1 Individual Customer Data.** As authorized by a Customer, a Third Party may access the data that are available for such Customer, including, but not limited to, usage for up to twelve consecutive months, load profile, rate class, peak load contribution, and network system peak load, via EDI or through a secure portion of the Company's website.

**5.1.2 Aggregated and Anonymous Customer Data.** A Third Party may request access to Aggregated Customer Data and Anonymous Customer Data as described in Section 5.2.

**5.2 Requests for Aggregated and Anonymous Customer Data.** A Third Party requesting Aggregated or Anonymous, or both, Customer Data will do so by submitting to the Company a data request through a secure portion of the Company's website that contains fields for the following information:

- (a) Name, address, phone, and email address of the Third Party requesting the data;
- (b) A description of the data requested and to be released;
- (c) A statement of the purpose for which the data will be used by the Third Party; and
- (d) A description of the time period for the data to be disclosed (e.g., twelve months of historical data).

**5.3 Company Response to Requests for Aggregated and Anonymous Customer Data.** Following the submission of a request for data by a Third Party in accordance with Section 5.2 of this Tariff, the Company will:

- (a) Confirm receipt of the request within three business days of receiving a request for data from a Third Party;
- (b) Respond within three business days of receiving a request for data from a Third Party as to whether any additional information is required for the Company to process the request;

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 15

- (c) Inform Third Party within ten business days of receiving a completed request for data as to whether it is able to grant the request and provide a proposed schedule for providing the requested data. If the Company responds that it cannot grant access to the requested data, it will provide specific reasons for why it cannot provide the data or offer other options for providing data access; and
- (d) Notify the requesting Third Party of the data transmission and security requirements.

**5.4 Standardized Data Output and Delivery.** All data outputs will be in standard formats. Data will be accessible in specified formats such as XML or other agreed-upon formats. The Company will provide data through EDI or on a secure server on the Company's website where the requestor will retrieve it.

## 6. CONFIDENTIALITY OF INFORMATION

- 6.1 Generally.** All confidential or proprietary information made available by one party to the other in connection with the registration by a Third Party with the Company or the subsequent provision and receipt of Customer Data under this Tariff, or both, including, but not limited to, information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company receiving or providing Customer Data hereunder. Other than disclosures to representatives of the Company or Third Party for the purposes of enabling that party to fulfill its obligations under this Tariff, a party may not disclose confidential or proprietary information without the prior authorization or consent, or both, of the other party.
- 6.2 Customer Information.** The Third Party shall keep all Customer Data supplied by the Company confidential unless the Third Party has the Customer's written authorization to do otherwise.

## 7. PAYMENT AND BILLING

**7.1 Third Party Payment of Obligations to the Company.** A Third Party shall pay all Charges it incurs hereunder in accordance with the following provisions:

**7.1.1 Billing Procedure.** Each month, the Company shall submit an invoice to the Third Party reflecting all of the Charges assessed to it by the Company for all of the services provided to Third Party under this Tariff during the applicable billing period. The invoice may be transmitted to the Third Party by any reasonable method requested by the Third Party. A Third Party shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days from the date of transmittal of the bill.

**7.1.2 Manner of Payment.** The Third Party shall remit payment to the Company by wire transfer to a bank designated in Section 7.1.3 of this Tariff. If disputes arise regarding a Third Party bill, the Third Party must pay the undisputed portion of disputed bills under investigation.

**7.1.3 Wire Transfer.** Payment to the Company by the Third Party must be made by electronic wire transfer or such other means as will cause payment to be available for use by the Company on the due date. All payments shall be wire transferred to:

Bank:	JP Morgan Chase
ABA No.:	021000021
Account Name:	FirstEnergy Service Company
Account No.:	323396364

**7.1.4 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month of the unpaid balance.

## 8. LIABILITY

- 8.1 Limitations on Liability.** The Company is not liable for any act, omission, promise, or representation of any Third Party. To the extent that the Company receives a properly submitted request for applicable Customer Data and acts in accordance with the provisions of this Tariff, the Company is not liable for any conflict such actions may cause between a Third Party and a Customer. Although data provided or made available, or both, in accordance with the provision of this Tariff and produced and processed via Company systems and sources is considered to be reliable by the Company, no warranty expressed or implied is made regarding the accuracy adequacy, completeness, legality, reliability, or usefulness of any such data and applies to both the isolated and aggregated use of such data. The Company provides or makes available, or both, such data on an “as is” basis. All warranties of any kind expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, freedom from contamination or corruption of any kind, and noninfringement of proprietary rights are disclaimed.

## 9. TERMINATION OF SERVICE

**9.1 Termination.** A Third Party has the right to terminate service hereunder at any time, upon notification to the Company.

The Company will terminate service permanently to a Third Party who fails to abide by the provisions set forth in the Third Party Continuing Obligations section of this Tariff (i.e., Section 4.1).

Also, the Company has the right to terminate service hereunder to a Third Party if:

- (a) The Third Party fails to make timely payments to the Company, as required by Section 7 of this Tariff, to access or retrieve, or both, data provided to or made available to, or both, such Third Party in accordance with the provisions of this Tariff; or
- (b) The Third Party is determined by the PaPUC or applicable court of law to be responsible for fraudulent representation or activity in association with this Tariff, which includes, but is not limited to, the unauthorized access or retrieval, or both, of Customer Data;

**9.2 Survival of Obligations.** Termination of service hereunder for any reason shall not relieve the Company or a Third Party of any obligation accrued or accruing prior to such termination.



## 10. ALTERNATIVE DISPUTE RESOLUTION

- 10.1 Informal Resolution of Disputes.** The Company and Third Party shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff or the conduct of activities, or both, hereunder. The Third Party's point of contact for all information, operations, questions, and problems under this Tariff shall be the Company's Customer Data Access Group.
- 10.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and a Third Party under this Tariff shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon), such dispute, by mutual agreement, may be referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.3 External Arbitration Procedures.** The arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. The arbitrator(s) chosen shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.
- 10.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms, and conditions of service or facilities.

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

- 10.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
  - (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.
- 10.6 Rights Under the FPA.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA.
- 10.7 Rights Under the Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

## 11. MISCELLANEOUS

- 11.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the Third Party at the address or email provided to the Company in its completed registration form and to the Company at the address on the first page of this Tariff or the email stated on the secure portion of the Company's website dedicated to requests for Customer Data. If given by electronic transmission, notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Third Party may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 11.2 No Prejudice of Rights.** The failure by either the Company or the Third Party to enforce any of the terms of this Tariff shall not be deemed a waiver of the right of either to do so.
- 11.3 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment, and termination of this Tariff shall be governed by the laws of the Commonwealth of Pennsylvania.

The Tariff, and the performance of the parties' obligations hereunder, are subject to and contingent upon (i) present and future local, state, and federal laws and (ii) present and future regulations or orders of any local, state, or federal regulating authority having jurisdiction over the matter set forth herein.

If at any time during the term of the Tariff, FERC, the PaPUC, or a court of competent jurisdiction issues an order under which a party hereto believes that its rights or interests, or both, under the Tariff are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights or interests. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue.

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 23

Appendix A  
**DATA ACCESS REGISTRATION FORM**

Name of Registrant:	D&B DUNS Number:
Please state whether Registrant is a Curtailment Service Provider or Conservation Service Provider :	Years in Business:  URL for Registrant's Website:
Contact Name:	Title:
E-mail:	Phone:
Address: <span style="float: right;">City:</span>	State: <span style="float: right;">Zip Code:</span>
<b>To obtain or retrieve, or both, Customer Data maintained by Pennsylvania Power Company ("Penn Power" or "Company"), Registrant must submit electronic requests via the secure portal available at <a href="http://www.firstenergy.com/">www.firstenergy.com/</a>. Following submission of this completed registration form, the Company will provide Registrant a username and password to access the portal.</b>	
The submission of this Registration Form to Penn Power shall constitute the Registrant's acknowledgement and acceptance of all the terms, conditions, and requirements of the Third-Party Data Access Tariff approved by the Pennsylvania Public Utility Commission (the "Commission" or "PUC") at Docket Nos. P-2021-_____ et al. (the "Tariff").	
By sending an electronic request for Customer Data to Penn Power, Registrant represents and warrants that: <ol style="list-style-type: none"> <li>1. Registrant has obtained valid and appropriate customer authorization to access or retrieve, or both, data specific to such customer.</li> <li>2. Registrant will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.</li> <li>3. Any customer-specific data that Registrant accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.</li> <li>4. Any data specific to a Customer must not be sold or licensed to any other entity for any purpose.</li> <li>5. Registrant agrees to indemnify, defend, and hold the Company harmless from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of Registrant in connection with the performance of its obligations under the Tariff, (ii) Registrant's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by Registrant of its representations and promises.</li> </ol>	
The undersigned represents and warrants that they have the authority to act on behalf of and to bind Registrant to perform the terms and conditions set forth herein.	
Signature of Authorized Representative:	Date:
Name:	Title:

Pennsylvania Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

Appendix B  
**CUSTOMER AUTHORIZATION FORM**

## Customer Letter of Authorization Form

(please complete one copy of this form for each electric distribution company)

We hereby authorize \_\_\_\_\_ to act on our behalf to secure historical electric usage information on an ongoing basis for the purpose of evaluating historical energy usage patterns and other relevant information for the provision of energy related services. This authorization will remain in effect for twenty-four (24) months or until we provide \_\_\_\_\_ with thirty (30) days advance written notice of termination of the authorization whichever is earlier. \_\_\_\_\_ will treat all historical electric usage information obtained under this authorization as confidential information.

*This form must be completed in its entirety and signed by the customer of record or by someone who has power of attorney or other legal right to sign the customer's name on their behalf.*

SIGNED

DATE

PRINT NAME

TITLE

PHONE

FAX

EMAIL

CUSTOMER LEGAL ENTITY NAME

ADDRESS

ELECTRIC DISTRIBUTION COMPANY NAME

**20-DIGIT CUSTOMER NUMBER(S) (AS SHOWN ON PAGE 3 OF LATEST BILL)**

PLEASE ATTACH CUSTOMER NUMBERS OR INCLUDE ELECTRONIC LIST IF REQUESTING MORE THAN 5 ACCOUNTS

Return this completed form and one utility bill for each electric distribution company account to your account representative at \_\_\_\_\_.

**Curtailment Service Providers and Conservation Service Providers (Pennsylvania only) should return completed Customer Letter of Authorization forms to [csprequests@firstenergycorp.com](mailto:csprequests@firstenergycorp.com)**

**EXHIBIT G-4**

**WEST PENN POWER COMPANY  
THIRD PARTY DATA ACCESS TARIFF**

Electric Pa P.U.C. No. \_\_\_\_

**WEST PENN POWER COMPANY**

**Third Party Data Access Tariff**

**Company Office Location**

2800 Pottsville Pike  
P. O. Box 16001  
Reading, Pennsylvania 19612

Issued:

Effective: June 1, 2023

**Samuel L. Belcher, President**

NOTICE

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West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 2

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**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations. ....	5
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	8
2. Scope and Purpose of Tariff .....	9
3. Commencement of Service .....	11
4. Terms of Service .....	12
5. Data Request and Release Process.....	14
6. Confidentiality of Information.....	16
7. Payment and Billing.....	17
8. Liability.....	18
9. Termination of Service .....	19
10. Alternative Dispute Resolution.....	20
11. Miscellaneous .....	22
<b>APPENDIX</b>	
Data Access Registration Form .....	23

### **HOW TO USE LOOSE-LEAF TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as “original page,” consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1—for example: “Original Page No. 2,” “Original Page No. 3,” etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as “First Revised Page No....,” the second time as “Second Revised Page No....,” etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as “First Revised Page No. 2, superseding Original Page No. 2”; and the added page would be issued as “Original Page No. 2A.” If a second added page should be required, it would be issued as “Original Page No. 2B.” Subsequent reprints will be consecutively designated as “First Revised...,” “Second Revised...,” etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked “See following page for pending revision.” On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

## **DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS**

**Aggregated Customer Data** – information pertaining to retail customers that has been (a) assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information and (b) subjected to analysis functions to develop summation average or other analytical statistics, or both, for specific groups of retail customers in a manner that precludes the determination of the individual identities of the retail customer to which such information pertains.

**Anonymous Customer Data** – information pertaining to retail customers that has been assembled with specific retail customer identifiers—including, but not limited to, name, address, and electric service account number—omitted from the assembled information.

**AMI Interval Data** – electric demand and energy usage that are measured over specific consistent incremental time periods by advanced metering infrastructure (“AMI”) metering facilities provided by the Company at a retail customer’s premises and that may or may not be subject to the Company’s validation, editing, and estimation (“VEE”) processes or directly used for the purposes of determining the amounts owed by such retail customer for electric services.

**Charges** - all charges stated in the “Charges” section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for service performed hereunder.

**Company** – West Penn Power Company (“West Penn”).

**Competition Act** - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, et seq.

**Conservation Service Provider** – an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership, or other affiliated interest with an electric distribution company (66 Pa.C.S. § 2806.1.(m)).

**Curtailement Service Provider** - a PJM member or a special member, which action on behalf of itself or one or more other members or non-members, participates in the PJM Interchange Energy Market, Ancillary Services markets, Reliability Pricing Model, or any combination thereof by causing a reduction in demand.

**Customer** - a retail electric customer as defined in the Competition Act.

Definitions (Continued)

**Customer Data** – information pertaining to retail customers, including AMI Interval Data and customer account information, such as customer address, contact information, payment history, account number, and amount billed.

**Electric Distribution Company (or “EDC”)** - shall have the meaning set forth in the Competition Act.

**EDC Tariff** - the Company’s current PaPUC approved Electric Service Tariff, Pa. P.U.C. No. 40 (West Penn Power Company).

**Electric Generation Supplier** – any person, corporation, or other entity that has received a certification from the Commission that it is eligible and licensed to supply electric energy, capacity, transmission, and ancillary services to Customers in the Company’s service territory under and pursuant to the Competition Act.

**Electronic Data Interchange (“EDI”)** – guidelines that represent the standard electronic communication method for exchanging data between an EDC and an EGS.

**FERC** - the Federal Energy Regulatory Commission.

**FirstEnergy Corp. (“FirstEnergy”)** – the parent company of Cleveland Electric Illuminating Company, Jersey Central Power and Light Company, Metropolitan Edison Company, Monongahela Power Company, Ohio Edison Company (and its wholly owned subsidiary, Pennsylvania Power Company), Pennsylvania Electric Company, Potomac Edison Company, Toledo Edison Company, and West Penn Power Company.

**Market Participant** – has the same meaning as set forth in the PJM Tariff.

**PaPUC (or “Commission”)** - the Pennsylvania Public Utility Commission.

**PJM** - the regional transmission organization operated by PJM Interconnection, L.L.C., or its successor.

**PJM Tariff** – the PJM Open Access Transmission Tariff, including schedules and exhibits.

West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 7

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Definitions (Continued)

**Tariff** – this Third-Party Data Access Tariff.

**Third Party** –a Conservation Service Provider or a Curtailment Service Provider.

## **RULES AND REGULATIONS**

### **1. THE TARIFF**

- 1.1 Filing and Posting.** A copy of this Tariff is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours. A copy of this Tariff is available at the Company's website [www.firstenergycorp.com](http://www.firstenergycorp.com).
- 1.2 Revisions.** Subject to Section 2.3, this Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all Third Parties seeking to obtain Customer Data pertaining to Customers located in the Company's service territory. The obligations and charges herein shall apply to anyone providing or receiving service unlawfully or to any unauthorized or fraudulent provision or receipt of service in addition to any other remedies available to the Company.
- 1.4 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

## 2. SCOPE AND PURPOSE OF TARIFF

- 2.1 Scope and Purpose of Tariff.** This Tariff defines the circumstances and terms and conditions under which the Company provides or makes available retail Customer Data to a Third Party.
- 2.2 Relationship of the Company, Customer, and Third Party.** The Company provides electric service to a Customer in accordance with the EDC Tariff. Through the course of providing this service the Company obtains, compiles, and stores Customer Data.
- 2.2.1** A Third Party must be authorized by a Customer to obtain data specific to such Customer from the Company. The Company must provide or make available, or both, such data to such Third Party subject to the terms, conditions, and limitations set forth in this Tariff.
- 2.2.2** The Company is not a party to the manner in which data are utilized by a Third Party and is not bound by any term, condition, or provision of any program or process employed by a Third Party in its utilization of such data. Any contractual arrangement to which a Third Party and Customer are parties is not part of this Tariff or the EDC Tariff. The Company is not a party to any such contractual arrangement between a Third Party and a Customer and is not bound by any term, condition, or provision of such an agreement.
- 2.2.3** A Third Party is not an agent of the Company. A Third Party has no authority to enter into any agreement on behalf of the Company; to amend, modify, or alter any of the Company's tariffs, contracts, or procedures; or to bind the Company by making any promises, representations, or omissions.
- 2.2.4** A Third Party has no authority to enter into any agreement pertaining to a Customer's electric service on behalf of such Customer or to modify or alter any such agreement on behalf of the Customer, or to bind the Customer by making any promises, representations, or omissions pertaining to such agreement.
- 2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), as amended, or any rule, regulation, order, or determination of FERC under the FPA, then such FERC rule, regulation, order, or determination of the FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order, or determination of FERC



West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 10

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under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

### 3. COMMENCEMENT OF SERVICE

- 3.1 Prerequisites of Service.** Before commencing service hereunder, a Third Party must comply with the following prerequisites of service.
- 3.1.1** A Third Party must submit a completed registration form to the Company that acknowledges and accepts the Terms of Service set forth in Section 4 of this Tariff.
- 3.1.2** A Third Party must demonstrate that it can meet all applicable continuing obligations described in Section 4 of this Tariff.
- 3.1.3** A Third Party must have and demonstrate through the completion of any applicable Company testing program the ability to electronically access or retrieve, or both, data the Company provides or makes available, or both, in accordance with the Company's practices, procedures, and systems employed to provide or make available, or both, such data.
- 3.2 Incomplete Registrations.** In the event the Third Party submits an incomplete registration, the Company shall provide written notice to the Third Party of the registration's deficiencies within five (5) business days after the date of service of the registration. The Company will not process an incomplete application until the Third Party corrects the deficiencies and delivers a completed registration to the Company.
- 3.3 Commencement of Service.** Service hereunder shall commence within five (5) business days after the Company's acceptance of Third Party's complete registration provided that all of the information necessary for the Company to provide service hereunder has been submitted to the Company and any conditions established under Section 3.6 have been satisfied by the Third Party.

#### 4. TERMS OF SERVICE

**4.1 Third Party Continuing Obligations.** The Third Party must continue to abide by the prerequisites of service of this Tariff, as applicable. In order to access or retrieve, or both, data specific to a Customer, the Third Party must accept the following terms of service:

- (a) The Third Party must obtain and maintain appropriate authorization from the Customer to access or retrieve, or both, data specific to the Customer, with such authorization documented in writing or electronically using the standard form set forth in Appendix B. If an authorization obtained by a Third Party from a Customer that allows such Third Party to access or retrieve, or both, data specific to such Customer expires or is revoked for any reason, the Third Party must no longer request access to or retrieve, or both, such data.
- (b) The Third Party will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.
- (c) The Third Party acknowledges that any data specific to a Customer that it accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.
- (d) The Third Party agrees that data specific to a Customer must not be sold or licensed to any other entity for any purpose.
- (e) The Third Party agrees to indemnify, defend, and hold harmless the Company from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of such Third Party in connection with the performance of its obligations under this Tariff, (ii) such Third Party's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by a Third Party of its representations and promises.

**4.2 Disclosure of Information Without Customer Authorization.** Customer authorization is not required for a Third Party to access or retrieve, or both, Aggregated Customer Data or Anonymous Customer Data, or both, as described in Section 5 of this Tariff.

**4.3 Company Continuing Obligations.** For a situation in which the Company must provide or make available, or both, to a Third Party data specific to a Customer as described in Section 5.1.1 of this Tariff, such data must be provided or made available, or both, within one business day after the Company determines the data are available for the Customer,

provided the Third Party is in compliance with applicable provisions in Section 3.1 of this Tariff and submits a request for such data prior to 5:00 p.m. Eastern Prevailing Time on the previous business day. The Company is not required to provide or make available, or both, revisions to data after such data are provided or made available, or both, to a Third Party in accordance with the provisions of this Tariff. In the event a Customer notifies the Company that a Third Party's authorization to access data specific to such Customer is terminated or revoked, the Company must terminate such Third Party's further access to Customer Data under this Tariff within 5 business days after receiving such notification from the Customer.

- 4.4 Charges.** As applicable, charges are assessed by the Company for data provided or made available, or both, to such Third Party in accordance with the provisions of Section 5.2 of this Tariff. With respect to each request to access or retrieve, or both, Customer Data that is not available through standard automated processes, the Company will assess the requesting Third Party a charge of \$53 per hour, which will be billed by the Company in one-minute intervals.

## 5. DATA REQUEST AND RELEASE PROCESS

**5.1 Data Options.** A Third Party may access Customer Data in accordance with one or more of the following options, as applicable, provided such Third Party complies with applicable provisions in Section 4.1 (Third Party Continuing Obligations).

**5.1.1 Individual Customer Data.** As authorized by a Customer, a Third Party may access the data that are available for such Customer, including, but not limited to, usage for up to twelve consecutive months, load profile, rate class, peak load contribution, and network system peak load, via EDI or through a secure portion of the Company's website.

**5.1.2 Aggregated and Anonymous Customer Data.** A Third Party may request access to Aggregated Customer Data and Anonymous Customer Data as described in Section 5.2.

**5.2 Requests for Aggregated and Anonymous Customer Data.** A Third Party requesting Aggregated or Anonymous, or both, Customer Data will do so by submitting to the Company a data request through a secure portion of the Company's website that contains fields for the following information:

- (a) Name, address, phone, and email address of the Third Party requesting the data;
- (b) A description of the data requested and to be released;
- (c) A statement of the purpose for which the data will be used by the Third Party; and
- (d) A description of the time period for the data to be disclosed (e.g., twelve months of historical data).

**5.3 Company Response to Requests for Aggregated and Anonymous Customer Data.** Following the submission of a request for data by a Third Party in accordance with Section 5.2 of this Tariff, the Company will:

- (a) Confirm receipt of the request within three business days of receiving a request for data from a Third Party;
- (b) Respond within three business days of receiving a request for data from a Third Party as to whether any additional information is required for the Company to process the request;

West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 15

- (c) Inform Third Party within ten business days of receiving a completed request for data as to whether it is able to grant the request and provide a proposed schedule for providing the requested data. If the Company responds that it cannot grant access to the requested data, it will provide specific reasons for why it cannot provide the data or offer other options for providing data access; and
- (d) Notify the requesting Third Party of the data transmission and security requirements.

**5.4 Standardized Data Output and Delivery.** All data outputs will be in standard formats. Data will be accessible in specified formats such as XML or other agreed-upon formats. The Company will provide data through EDI or on a secure server on the Company's website where the requestor will retrieve it.

## 6. CONFIDENTIALITY OF INFORMATION

- 6.1 Generally.** All confidential or proprietary information made available by one party to the other in connection with the registration by a Third Party with the Company or the subsequent provision and receipt of Customer Data under this Tariff, or both, including, but not limited to, information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company receiving or providing Customer Data hereunder. Other than disclosures to representatives of the Company or Third Party for the purposes of enabling that party to fulfill its obligations under this Tariff, a party may not disclose confidential or proprietary information without the prior authorization or consent, or both, of the other party.
- 6.2 Customer Information.** The Third Party shall keep all Customer Data supplied by the Company confidential unless the Third Party has the Customer's written authorization to do otherwise.

## 7. PAYMENT AND BILLING

**7.1 Third Party Payment of Obligations to the Company.** A Third Party shall pay all Charges it incurs hereunder in accordance with the following provisions:

**7.1.1 Billing Procedure.** Each month, the Company shall submit an invoice to the Third Party reflecting all of the Charges assessed to it by the Company for all of the services provided to Third Party under this Tariff during the applicable billing period. The invoice may be transmitted to the Third Party by any reasonable method requested by the Third Party. A Third Party shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) banking days from the date of transmittal of the bill.

**7.1.2 Manner of Payment.** The Third Party shall remit payment to the Company by wire transfer to a bank designated in Section 7.1.3 of this Tariff. If disputes arise regarding a Third Party bill, the Third Party must pay the undisputed portion of disputed bills under investigation.

**7.1.3 Wire Transfer.** Payment to the Company by the Third Party must be made by electronic wire transfer or such other means as will cause payment to be available for use by the Company on the due date. All payments shall be wire transferred to:

Bank:	JP Morgan Chase
ABA No.:	021000021
Account Name:	FirstEnergy Service Company
Account No.:	323396364

**7.1.4 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be two percent (2%) per month of the unpaid balance.



## 8. LIABILITY

- 8.1 Limitations on Liability.** The Company is not liable for any act, omission, promise, or representation of any Third Party. To the extent that the Company receives a properly submitted request for applicable Customer Data and acts in accordance with the provisions of this Tariff, the Company is not liable for any conflict such actions may cause between a Third Party and a Customer. Although data provided or made available, or both, in accordance with the provision of this Tariff and produced and processed via Company systems and sources is considered to be reliable by the Company, no warranty expressed or implied is made regarding the accuracy adequacy, completeness, legality, reliability, or usefulness of any such data and applies to both the isolated and aggregated use of such data. The Company provides or makes available, or both, such data on an “as is” basis. All warranties of any kind expressed or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, freedom from contamination or corruption of any kind, and noninfringement of proprietary rights are disclaimed.

## 9. TERMINATION OF SERVICE

**9.1 Termination.** A Third Party has the right to terminate service hereunder at any time, upon notification to the Company.

The Company will terminate service permanently to a Third Party who fails to abide by the provisions set forth in the Third Party Continuing Obligations section of this Tariff (i.e., Section 4.1).

Also, the Company has the right to terminate service hereunder to a Third Party if:

- (a) The Third Party fails to make timely payments to the Company, as required by Section 7 of this Tariff, to access or retrieve, or both, data provided to or made available to, or both, such Third Party in accordance with the provisions of this Tariff; or
- (b) The Third Party is determined by the PaPUC or applicable court of law to be responsible for fraudulent representation or activity in association with this Tariff, which includes, but is not limited to, the unauthorized access or retrieval, or both, of Customer Data;

**9.2 Survival of Obligations.** Termination of service hereunder for any reason shall not relieve the Company or a Third Party of any obligation accrued or accruing prior to such termination.

## 10. ALTERNATIVE DISPUTE RESOLUTION

- 10.1 Informal Resolution of Disputes.** The Company and Third Party shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff or the conduct of activities, or both, hereunder. The Third Party's point of contact for all information, operations, questions, and problems under this Tariff shall be the Company's Customer Data Access Group.
- 10.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and a Third Party under this Tariff shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon), such dispute, by mutual agreement, may be referred to mediation or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.3 External Arbitration Procedures.** The arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. The arbitrator(s) chosen shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.
- 10.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms, and conditions of service or facilities.

West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

- 10.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (a) the cost of the arbitrator chosen by the party to sit on the three-member panel and a proportionate share of the cost of the third arbitrator chosen; or
  - (b) the proportionate share of the cost of the single arbitrator jointly chosen by the parties.
- 10.6 Rights Under the FPA.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA.
- 10.7 Rights Under the Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

## 11. MISCELLANEOUS

- 11.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the Third Party at the address or email provided to the Company in its completed registration form and to the Company at the address on the first page of this Tariff or the email stated on the secure portion of the Company's website dedicated to requests for Customer Data. If given by electronic transmission, notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Third Party may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.
- 11.2 No Prejudice of Rights.** The failure by either the Company or the Third Party to enforce any of the terms of this Tariff shall not be deemed a waiver of the right of either to do so.
- 11.3 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment, and termination of this Tariff shall be governed by the laws of the Commonwealth of Pennsylvania.

The Tariff, and the performance of the parties' obligations hereunder, are subject to and contingent upon (i) present and future local, state, and federal laws and (ii) present and future regulations or orders of any local, state, or federal regulating authority having jurisdiction over the matter set forth herein.

If at any time during the term of the Tariff, FERC, the PaPUC, or a court of competent jurisdiction issues an order under which a party hereto believes that its rights or interests, or both, under the Tariff are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights or interests. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue.

West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 23

Appendix A  
**DATA ACCESS REGISTRATION FORM**

Name of Registrant:	D&B DUNS Number:
Please state whether Registrant is a Curtailment Service Provider or Conservation Service Provider :	Years in Business: URL for Registrant's Website:
Contact Name:	Title:
E-mail:	Phone:
Address: City:	State: Zip Code:
<b>To obtain or retrieve, or both, Customer Data maintained by West Penn Power Company ("West Penn" or "Company"), Registrant must submit electronic requests via the secure portal available at <a href="http://www.firstenergy.com/">www.firstenergy.com/</a>. Following submission of this completed registration form, the Company will provide Registrant a username and password to access the portal.</b>	
The submission of this Registration Form to West Penn shall constitute the Registrant's acknowledgement and acceptance of all the terms, conditions, and requirements of the Third-Party Data Access Tariff approved by the Pennsylvania Public Utility Commission (the "Commission" or "PUC") at Docket Nos. P-2021-_____ et al. (the "Tariff").	
By sending an electronic request for Customer Data to West Penn, Registrant represents and warrants that: <ol style="list-style-type: none"><li>1. Registrant has obtained valid and appropriate customer authorization to access or retrieve, or both, data specific to such customer.</li><li>2. Registrant will treat data specific to a Customer that it accesses or retrieves, or both, as confidential information and ensure the confidentiality of such data specific to such Customer in accordance with all applicable statutes and regulatory orders or rules.</li><li>3. Any customer-specific data that Registrant accesses or retrieves, or both, have no warranties with respect to accuracy, completeness, or fitness for any purposes.</li><li>4. Any data specific to a Customer must not be sold or licensed to any other entity for any purpose.</li><li>5. Registrant agrees to indemnify, defend, and hold the Company harmless from any losses, claims, or liabilities arising out of any claim alleging or arising from (i) any act or omission of Registrant in connection with the performance of its obligations under the Tariff, (ii) Registrant's use of data specific to a Customer that it accesses or retrieves, or both, or (iii) any breach by Registrant of its representations and promises.</li></ol>	
The undersigned represents and warrants that they have the authority to act on behalf of and to bind Registrant to perform the terms and conditions set forth herein.	
Signature of Authorized Representative:	Date:
Name:	Title:

West Penn Power Company

Electric Pa P.U.C. No. \_\_\_\_\_  
Original Page No. 21

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Appendix B  
**CUSTOMER AUTHORIZATION FORM**

## Customer Letter of Authorization Form

(please complete one copy of this form for each electric distribution company)

We hereby authorize \_\_\_\_\_ to act on our behalf to secure historical electric usage information on an ongoing basis for the purpose of evaluating historical energy usage patterns and other relevant information for the provision of energy related services. This authorization will remain in effect for twenty-four (24) months or until we provide \_\_\_\_\_ with thirty (30) days advance written notice of termination of the authorization whichever is earlier. \_\_\_\_\_ will treat all historical electric usage information obtained under this authorization as confidential information.

*This form must be completed in its entirety and signed by the customer of record or by someone who has power of attorney or other legal right to sign the customer's name on their behalf.*

---

SIGNED

DATE

PRINT NAME

TITLE

PHONE

FAX

EMAIL

CUSTOMER LEGAL ENTITY NAME

ADDRESS

ELECTRIC DISTRIBUTION COMPANY NAME

**20-DIGIT CUSTOMER NUMBER(S) (AS SHOWN ON PAGE 3 OF LATEST BILL)**

PLEASE ATTACH CUSTOMER NUMBERS OR INCLUDE ELECTRONIC LIST IF REQUESTING MORE THAN 5 ACCOUNTS

Return this completed form and one utility bill for each electric distribution company account to your account representative at \_\_\_\_\_.

**Curtailment Service Providers and Conservation Service Providers (Pennsylvania only) should return completed Customer Letter of Authorization forms to [csprequests@firstenergycorp.com](mailto:csprequests@firstenergycorp.com)**