
**RULES FOR ELECTRIC SERVICE
RULE 11 – NET SERVICE FOR GENERATION FACILITIES**

A. DEFINITIONS

(1) **Delivery Service** – Service that includes the Distribution, Competitive Transition Charge, and Intangible Transition Charge components of the applicable firm rate schedule (including all riders and surcharges).

(2) **Generation Facility** – Such equipment owned by a single corporate entity, (a) which is located at a single contiguous site; (b) which is exclusively used to produce electric energy that will be sold at wholesale; (c) which is owned and/or operated by a qualified member of PJM Interconnection, L.L.C. (PJM), as defined in the PJM Operating Agreement; (d) the Net Energy Output of which is reported on an hourly basis to PJM; and (e) which is interconnected to the Company's facilities. The Company shall have the sole and exclusive right to determine if any particular equipment qualifies as a Generation Facility and if the operating characteristics and/or circumstances relating to such equipment are different than described in this definition.

(3) **Net Energy Output** – The difference in energy between the Generation Facility's output and Station Power over a monthly period, as determined by the PJM. Net Energy Output is positive when the output exceeds the Station Power and negative when the Station Power exceeds the output, all as measured by an electronic meter acceptable to the Company.

(4) **Net Service** – The provision of service at 69 kV or higher to a Generation Facility under this Rule.

(5) **Station Power** – Energy used for operating the electric equipment on the site of a Generation Facility located in the PJM control area or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a Generation Facility, which are used solely in the operation, maintenance, or repair of the facility. Station Power does not include any energy used to power synchronous condensers, used for pumping at a pumped storage facility, for restoration-related or black start service or to energy that is normally supplied to facilities including, but not limited to buildings or structures on the site of such a Generation Facility that are metered separately and served directly from the Company's distribution system.

B. APPLICATION

(1) The Company will provide Net Service to a Generation Facility upon request.

(2) This Rule 11 shall remain available only for as long as the provision in Section 1.7.10(d) of the PJM Operating Agreement, or any successor thereto, allowing the self-supply of station power, remains effective.

(3) In order to be eligible for Net Service, a Generation Facility must be subject to an Interconnection Agreement and an Interconnection Service Agreement under the PJM Open Access Transmission Tariff.

(4) All bills for service hereunder are based on charges specified in the applicable rate schedule for firm service (including applicable riders and surcharges) under which the Customer is eligible to receive service, subject to the additional provisions of this rule.

(5) Customers selecting Net Service do not qualify for either the auxiliary service or stand-by service provisions of Rules 6 and 6A, respectively.

(Continued)

**RULES FOR ELECTRIC SERVICE
RULE 11 – NET SERVICE FOR GENERATION FACILITIES (CONTINUED)**

C. RATES FOR NET SERVICE

(1) When the Generating Facility's Net Energy Output is positive for the monthly billing period, the monthly minimum charge for Delivery Service is the minimum bill provision in the applicable rate schedule.

(2) When the Generation Facility's Net Energy Output is negative for the monthly billing period, the Company shall apply all Delivery Service components of the applicable rate schedule, using the negative Net Energy Output to determine the Billing kWh component and the peak monthly kW usage to determine the Billing kW component. If the Customer is purchasing electricity from the Company, the Company also shall apply all energy, capacity and transmission components of the applicable rate schedule as set forth in this section.

B. DATA REQUIREMENTS

(1) The Customer will report its hourly generator output and station power use to PJM, pursuant to the requirements in the PJM Operating Agreement.

(2) This Company reserves the right to independently audit the Customer's reported generator output and station power use and to seek resolution of any meter corrections through the applicable procedures in the PJM Operating Agreement.