

GENERATION SUPPLY CHARGE-1

(C)

The Generation Supply Charge-1 (GSC-1) shall be applied to each kilowatt-hour supplied to residential customers who take Basic Utility Supply Service ("BUSS") from the Company under Rate Schedules RS and RTS (R), small commercial and industrial customers who take BUSS service under Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R) and GH-2 (R), and standby service for the foregoing rate schedules. The GSC-1 will not apply to those Rate Schedule GS-3 customers who have a peak demand of 100 kW or greater, but the GSC-1 will apply to those Rate Schedule LP-4 customers who have a peak demand of less than 100 kW. This peak demand will be based on the customer's ICAP peak load contribution to PJM peak load assigned for the most recent PJM Planning Year. The GSC-1 shall have the options listed below.

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FIXED PRICE OPTION – RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL

PURPOSE

The Fixed Price Option provides eligible customers in the Residential and Small Commercial & Industrial Customer Class with default electric service for those customers who have not selected a retail electric generation supplier (EGS) or the Time of Use Program.

PRICING PROVISIONS

The Fixed Price GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for service provided during the billing period:

$$\text{Fixed Price GSC-1} = \left[\frac{\text{GS}_{fp}}{\text{S}_{fp}} - \frac{\text{E}}{\text{S}_{fp}} \right] \times \frac{1}{(1-T)}$$

Where:

GSC-1 = The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial as designated above.

GS_{fp} = The total estimated direct and indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating BUSS customers on the Fixed Price Option in the applicable Customer Class. These costs shall be reduced by any revenue received by the Company from the sale of Alternative Energy Credits that otherwise would have expired.

The computation period shall be the six calendar months over which the Fixed Price GSC-1, as computed, will apply. Projections of the Company's costs to acquire generation supply, adjusted for losses and including Alternative Energy Credits, for the computation quarter shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated generation supply-related procurement and administration costs. Any costs incurred prior to June 1, 2021, shall be amortized ratably over the 48-month period June 1, 2021, through May 31, 2025, and the 6-month amortization amount shall be included in the computation of the GSC-1.

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GENERATION SUPPLY CHARGE – 1 (Continued)

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FIXED PRICE SERVICE – RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL (Continued)

- E** = Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating BUSS customers in the applicable Customer Class. These costs will be computed as stated in the GSC-1 RECONCILIATION PROVISIONS and will include applicable interest. Interest shall be computed monthly from the month the over or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of overcollections and undercollections shall be calculated at the prime rate for commercial borrowing in effect on the last day of the month the over or undercollection occurred.
- S_{fp}** = The Company's total retail KWH sales to participating BUSS customers on the Fixed Price Option in the applicable Customer Class, projected for the computation quarter.
- T** = The Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within this tariff) in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the GSC-1, nor shall GSC-1 charges be a part of the monthly rate schedule minimum. The GSC-1 shall not be subject to any credits or discounts and Part 2 of the STAS shall apply.

The following GSC-1 charges apply for the Fixed Price Option during the period December 1, 2023 through May 31, 2024. **(C)**

Customer Class	Small C&I	Residential
Rate Schedule / Charge	GS-1, GS-3 (< 100 kW), LP-4 (< 100 kW), BL, and GH-2 (R) \$0.08730/KWH (D)	RS and RTS (R) \$0.08435/KWH (D)

Small C&I – Street Lights										
Rate Schedule/ Charge	SA		SM (R)		SHS		SLE		SE	TS (R)
	Nominal Lumens	Charge	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Fixture	\$/KWH	\$/Watt
	HPS 9,500	5.727 \$/Lamp	3,350	4.286	5,800	2.602	2,600	1.126	0.08730	0.06378
			6,650	6.696	9,500	3.728	3,300	1.641		
			10,500	9.359	16,000	5.482	3,800	1.658		
	LED 4,300	1.345 \$/Fixture	20,000	14.824	25,500	9.891	4,900	2.266		
			34,000	25.273	50,000	15.522	7,500	2.892		
			51,000	34.929			15,000	5.394		
							20,000	8.366		

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GENERATION SUPPLY CHARGE -1 (Continued)

FIXED PRICE SERVICE – RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL (Continued)

GSC – 1 RECONCILIATION PROVISIONS -

For the Fixed Price Option, the Company will file with the Commission thirty (30) days prior to each annual period (June 1 through May 31), a reconciliation of GSC-1 actual billed revenues and actual incurred costs for a twelve-month period ending March 31 of each year, pursuant to 66 Ps. C.S. §1307. The reconciliation shall become effective for service rendered during the 2 six-month computation periods. (C)

The reconciliation will be calculated separately for each of the two Customer Classes. The reconciliation will include a calculation of any over/under collection that will be reflected in the GSC-1 charges for the subsequent 2 six-month computation periods. The GSC-1 will be reconciled every twelve months, using over/under collection balance for the twelve-month period ending two months prior to each annual period. (C)

Application of the GSC-1 shall be subject to continuous review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the GSC-1 and the costs included therein.

TIME OF USE PROGRAM – RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL (C)

PURPOSE

Beginning on June 1, 2019, this Time-of-Use (TOU) Program provides for the voluntary participation of eligible existing and new residential and small commercial & industrial customers in a year-round TOU Program. Eligible customers must meet the APPLICATION PROVISIONS of this TOU Program. The objective of this TOU Program is to provide eligible residential and small commercial & industrial customers with an opportunity to shift energy usage away from the on-peak periods, when wholesale electricity demand and prices are high, to off-peak periods, when demands and prices are lower.

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GENERATION SUPPLY CHARGE – 1 (Continued)

TIME-OF-USE PROGRAM – RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL **(C)**
(Continued)

PRICING PROVISIONS

The following Generation Supply Charges apply for service under the TOU Program during the period December 1, 2023 through May 31, 2024. On-Peak hours will be set based on schedule **(C)** below Monday through Friday, excluding weekends and holidays.

Rate Schedule RS and RTS (R)	Winter On-Peak Hours (4:00 PM to 8:00 PM) <u>December 1 to May 31</u>	Summer On-Peak Hours (2:00 PM to 6:00 PM) <u>June 1 to November 30</u>
On-Peak Hours	9.056 cts per kWh (D)	13.269 cts per kWh
Off Peak Hours	7.622 cts per kWh (D)	8.825 cts per kWh

Rate Schedules GS-1, GS-3 (< 100 kW), LP-4 (<100kW), BL, and GH-2 (R)	Winter On-Peak Hours (4:00 PM to 8:00 PM) <u>December 1 to May 31</u>	Summer On-Peak Hours (2:00 PM to 6:00 PM) <u>June 1 to November 30</u>
On-Peak Hours	9.305 cts per kWh (D)	12.652 cts per kWh
Off Peak Hours	7.978 cts per kWh (D)	8.671 cts per kWh

The TOU GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for BUSS service provided during the billing month:

$$\text{Summer On-Peak TOU GSC-1} = \left[\left[\frac{\text{GS}_{\text{OFF}}}{S} \times \text{GS}_M \right] + \left[\frac{\text{GS}_{\text{IND}} - E}{S} \right] \right] \times \frac{1}{(1-T)}$$

$$\text{Winter On-Peak TOU GSC-1} = \left[\left[\frac{\text{GS}_{\text{OFF}}}{S} \times \text{GS}_M \right] + \left[\frac{\text{GS}_{\text{IND}} - E}{S} \right] \right] \times \frac{1}{(1-T)}$$

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GENERATION SUPPLY CHARGE – 1 (Continued)

TIME-OF-USE PROGRAM – RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL (C)
(Continued)

$$\text{Summer Off-Peak TOU GSC-1} = \left[\left[\frac{GS_{GEN}}{S} \times 0.90 \right] + \left[\frac{GS_{IND} - E}{S} \right] \right] \times \frac{1}{(1-T)}$$

$$\text{Winter Off-Peak TOU GSC-1} = \left[\left[\frac{GS_{GEN}}{S} \times 0.90 \right] + \left[\frac{GS_{IND} - E}{S} \right] \right] \times \frac{1}{(1-T)}$$

Where:

- GSC-1 = The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial (taking service at secondary voltage levels) as designated above.
- GS_{GEN} = The total generation component for the respective customer classes' fixed price default service rate.
- GS_{OFF} = The total Off-Peak generation component for the respective customer classes' fixed price default service rate.
- GS_{IND} = The total estimated indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating BUSS customers in the applicable Customer Class.
- E = Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating BUSS customers in the applicable Customer Class. These costs will be computed as stated in the GSC – 1 RECONCILIATION PROVISIONS and will include applicable interest. Interest shall be computed monthly from the month the over or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of overcollections and undercollections shall be calculated at the prime rate for commercial borrowing in effect on the last day of the month the over or undercollection occurred. (C)
- GS_M = Seasonal Multiplier based on historic data.
- S = The Company's total retail KWH sales to participating BUSS customers in the applicable Customer Class, projected for the computation period.
- T = The Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

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GENERATION SUPPLY CHARGE – 1 (Continued)

TIME-OF-USE PROGRAM – RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL (C)
(Continued)

APPLICATION PROVISIONS

This TOU Program is available to existing and new residential and small commercial/ industrial customers who are served, or qualify to be served, under Rate Schedules RS, RTS(R), GS-1, GS-3 (customers with peak demands less than 100 KW), LP-4 (customers with peak demands less than 100KW), BL and GH-2 (R). This includes Volunteer/Non-Profit organizations (Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services) served under Rate Schedules GS-1 and GS-3, but does not include customers in the Company's OnTrack program. Customers taking service under the above-referenced rate schedules, who also participate in the Company's Net Metering for Renewable Customer Generator programs, are eligible for the TOU Program. (C)

TERMINATING PARTICIPATION

A customer may leave this TOU Program after providing notice to the Company. The customer, if still receiving BUSS, will return to the standard Fixed Price GSC-1.

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