

COMPETITIVE ENHANCEMENT RIDER

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The Competitive Enhancement Rider (CER) charge shall be applied on a dollar per customer basis to each customer who takes distribution service under this Tariff. The CER provides for the recovery of the annual costs associated with the Company's competitive retail electricity market enhancement initiatives and related consumer education programs.

Beginning January 1, 2020 and continuing through December 31, 2020, the CER charge will be negative \$0.01. For subsequent years, the CER charge shall be filed with the Pennsylvania Public Utility Commission (Commission) by December 21 of the previous year. The CER charge shall reflect the Company's estimate of the costs it will incur during the application year associated with its competitive retail electricity market enhancement initiatives and related consumer education programs. The CER charge shall become effective for service rendered on or after the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that a CER charge, if left unchanged, would result in a material over or under-collection of all CER costs incurred or expected to be incurred during the current 12-month period, the Company may file with the Commission for an interim revision of the CER charge to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

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The Company will file with the Commission by December 21 of each year an annual reconciliation of the actual CER revenue billed and the actual CER costs incurred during the immediately preceding application period, pursuant to 66 Pa. C.S. §1307. The reconciliation shall become effective for service rendered on and after January 1 and shall remain in effect for a period of one year, or until new CER rates are approved by the Commission. Interest on overcollections and undercollections shall be computed monthly at the appropriate rate, as provided for in Section 1308(d) of the Public Utility Code, from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.

Application of the CER shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the CER charge and the costs included therein.

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rider.