



## **PPL Electric Utilities Corporation**

# **GENERAL TARIFF**

### **RULES AND RATE SCHEDULES FOR ELECTRIC SERVICE**

In the territory listed on pages 4, 4A, and 4B  
and in the adjacent territory served.

ISSUED: June 20, 2025

EFFECTIVE: July 1, 2025

**CHRISTINE M. MARTIN, PRESIDENT**

827 Hausman Road  
Allentown, PA 18104

# **NOTICE**

THIS TARIFF MAKES CHANGES **(C)** IN EXISTING RATES. SEE PAGE TWO.

## LIST OF CHANGES MADE BY THIS SUPPLEMENT

### CHANGES:

Smart Meter Rider – Phase 2 (SMR 2)  
Page No. 19Z.14C

The charges under the SMR 2 are set forth for the period July 1, 2025 through September 30, 2025.

Rate Schedules RS, RTS(R), GS-1, and  
GS-3  
Page Nos. 20, 21, 24A, and 25A

Under Net Monthly Rate, the Distribution Charge, effective July 1, 2025, is revised in accordance with the SMR 2 changes.

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**TERRITORY COVERED BY THIS TARIFF****BERKS COUNTY****(C)**

Boroughs of Morgantown, New Morgan, Robesonia, Shillington, Sinking Spring, Wernersville, West Lawn, Womelsdorf, Wyomissing, and Wyomissing Hills.  
Townships of Caernarvon, Cumru, Heidelberg, Lower Heidelberg, South Heidelberg, and Spring.

**BUCKS COUNTY**

Boroughs of Richlandtown, Sellersville, Silverdale, Telford, and Turmbauersville.  
Townships of East Rockhill, Haycock, Hilltown, Milford, Richland, Springfield, and West Rockhill.

**CARBON COUNTY**

Boroughs of Beaver Meadows, Bowmanstown, East Side, Jim Thorpe, Lansford, Nesquehoning, Palmerton, Parryville, Summit Hill, and Weissport.  
Townships of Banks, East Penn, Franklin, Kidder, Lausanne, Lehigh, Lower Towamensing, Mahoning, Packer, Penn Forest, and Towamensing.

**CHESTER COUNTY**

Boroughs of Atglen, Elverson, and Honey Brook.  
Townships of Honey Brook, West Nantmeal, and West Sadsbury.

**CLINTON COUNTY**

City of Lock Haven.  
Boroughs of Avis, Flemington, Loganton, Mill Hall, Renovo, and South Renovo.  
Townships of Allison, Bald Eagle, Castanea, Chapman, Colebrook, Crawford, Dunnstable, Gallagher, Greene, Grugan, Logan, Noyes, Pine Creek, Wayne, and Woodward.

**COLUMBIA COUNTY**

Town of Bloomsburg.  
Boroughs of Ashland, Benton, Berwick, Briar Creek, Centralia, Millville, Orangeville, and Stillwater.  
Townships of Beaver, Benton, Briar Creek, Catawissa, Cleveland, Conyngham, Fishing Creek, Franklin, Greenwood, Hemlock, Jackson, Locust, Madison, Main, Mifflin, Montour, Mount Pleasant, North Centre, Orange, Pine, Roaring Creek, Scott, South Centre, and Sugarloaf.

**CUMBERLAND COUNTY**

Boroughs of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, New Cumberland, Newville, Shiremanstown, West Fairview, and Wormleysburg.  
Townships of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, North Newton, Penn, Silver Spring, South Middleton, South Newton, Upper Allen, and West Pennsboro.

**DAUPHIN COUNTY**

City of Harrisburg.  
Boroughs of Berrysburg, Dauphin, Elizabethville, Gratz, Halifax, Highspire, Hummelstown, Lykens, Millersburg, Paxtang, Penbrook, Pillow, Steelton, and Williamstown.  
Townships of Derry, East Hanover, Halifax, Jackson, Jefferson, Lower Paxton, Lower Swatara, Lykens, Middle Paxton, Mifflin, Reed, Rush, South Hanover, Susquehanna, Swatara, Upper Paxton, Washington, Wayne, West Hanover, Wiconisco, and Williams.

**JUNIATA COUNTY**

Boroughs of Mifflin, Mifflintown, Port Royal, and Thompsonstown  
Townships of Delaware, Fayette, Fermanagh, Greenwood, Milford, Monroe, Susquehanna, Turbett, and Walker.

**LACKAWANNA COUNTY**

Cities of Carbondale and Scranton.  
Boroughs of Archbald, Blakely (part), Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Moscow, Old Forge, Olyphant (part), Taylor, Throop, and Vandling.  
Townships of Abington, Benton, Carbondale, Clifton, Covington, Elmhurst, Fell, Glenburn, Greenfield, Jefferson, La Plume, Lehigh, Madison, Newton, North Abington, Ransom, Roaring Brook, Scott, South Abington, Spring Brook, and West Abington.

**LANCASTER COUNTY**

City of Lancaster.  
Boroughs of Adamstown, (part), Akron, Christiana, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata (part), Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, Strasburg, and Terre Hill.  
Townships of Bart, Brecknock, Caernarvon, Clay, Colerain, Conestoga, Conoy, Drumore, Earl, East Cocalico, East Donegal, East Drumore, East Earl, East Hempfield, East Lampeter, Eden, Elizabeth, Ephrata, Fulton, Lancaster, Leacock, Little Britain, Manheim, Manor, Martick, Mount Joy, Paradise, Penn, Pequea, Providence, Rapho, Sadsbury, Salisbury, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield, and West Lampeter.

**LEBANON COUNTY**

Borough of Richland.  
Townships of Heidelberg and Millcreek.

**LEHIGH COUNTY**

Cities of Allentown and Bethlehem.  
Boroughs of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, and Slatington.  
Townships of Hanover, Heidelberg, Lower Macungie, Lower Milford, Lowhill, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Washington, and Whitehall.

**LUZERNE COUNTY**

Cities of Hazleton, Pittston, and Wilkes-Barre.  
Boroughs of Ashley, Avoca, Bear Creek Village, Conyngham, Dupont, Duryea, Exeter, Freeland, Hughestown, Jeddo, Laffin, Laurel Run, Nescopeck, Nuangola, Penn Lake Park, West Hazleton, West Pittston, White Haven, and Yatesville.  
Townships of Bear Creek, Black Creek, Buck, Butler, Dennison, Dorrance, Exeter, Fairview, Foster, Hanover, Hazle, Hollenbach, Jenkins, Nescopeck, Pittston, Plains, Rice, Salem, Slocum, Sugarloaf, Wilkes-Barre, and Wright.

**TERRITORY COVERED BY THIS TARIFF (CONTINUED)**

**LYCOMING COUNTY**

City of Williamsport.  
Boroughs of Duboistown, Hughesville, Jersey Shore, Montgomery, Montoursville, Muncy, Picture Rocks, Salladasburg, and South Williamsport.  
Townships of Anthony, Armstrong, Bastress, Brady, Clinton, Eldred, Fairfield, Franklin, Hepburn, Jordan, Limestone, Loyalsock, Lycoming, Mifflin, Mill Creek, Moreland, Muncy, Muncy Creek, Nippenose, Old Lycoming, Penn, Piatt, Porter, Shrewbury, Susquehanna, Upper Fairfield, Washington, Watson, Wolf, and Woodward.

**MONROE COUNTY**

Boroughs of East Stroudsburg (part), Mount Pocono, and Stroudsburg (part).  
Townships of Barrett, Chestnuthill, Coolbaugh, Eldred, Jackson, Paradise, Pocono, Polk, Price, Smithfield, Stroud, Tobyhanna, and Tunkhannock.

**MONTGOMERY COUNTY**

Boroughs of East Greenville, Pennsburg, Red Hill, Souderton, and Telford.  
Townships of Franconia, Hatfield, and Upper Hanover.

**MONTOUR COUNTY**

Boroughs of Danville and Washingtonville.  
Townships of Anthony, Cooper, Derry, Liberty, Limestone, Mahoning, Mayberry, Valley and West Hemlock.

**NORTHAMPTON COUNTY**

City of Bethlehem.  
Boroughs of Freemansburg, Hellertown, Nazareth (part), North Catasauqua, Northampton, Pen Argyl (part), Stockerton, Tatamy, and Walnutport.  
Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lehigh, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Moore, Palmer, Plainfield, Upper Nazareth, Washington, and Williams.

**NORTHUMBERLAND COUNTY**

Cities of Shamokin and Sunbury.  
Boroughs of Herndon, Kulpmont, Marion Heights, McEwensville, Milton, Mount Carmel, Northumberland, Riverside, Snyderstown, and Turbotville.  
Townships of Coal, Delaware, East Cameron, East Chillisquaque, Jackson, Jordon, Lewis, Little Mahanoy, Lower Augusta, Lower Mahanoy, Mount Carmel, Point, Ralpho, Rockefeller, Rush, Shamokin, Turbot, Upper Augusta, Upper Mahanoy, Washington, West Cameron, West Chillisquaque, and Zerbe.

**PERRY COUNTY**

Boroughs of New Bloomfield, Landisburg, Liverpool, Marysville, Millerstown, New Buffalo, and Newport.

Townships of Buffalo, Carroll, Centre, Greenwood, Howe, Juniata, Liverpool, Miller, Northeast Madison, Oliver, Penn, Rye, Saville, Southwest Madison, Spring, Tuscarora, Tyrone, Watts, and Wheatfield.

**PIKE COUNTY**

Townships of Blooming Grove, Greene, Lackawaxen, Palmyra, Porter, and Shohola.

**SCHUYLKILL COUNTY**

City of Pottsville.  
Boroughs of Ashland, Auburn, Coaldale, Cressona, Deer Lake, Frackville, Gilberton, Girardville, Gordon, Landingville, Mahanoy City, McAdoo, Mechanicsville, Middleport, Minersville, Mount Carbon, New Philadelphia, New Ringgold, Orwigsburg, Palo Alto, Pine Grove, Port Carbon, Port Clinton, Ringtown, Shenandoah, Tamaqua, Tower City, and Tremont.  
Townships of Barry, Blythe, Branch, Butler, Cass, Delano, East Brunswick, East Norwegian, East Union, Eldred, Foster, Frailey, Hegins, Hubley, Kline, Mahanoy, New Castle, North Manheim, North Union, Norwegian, Pine Grove, Porter, Reilly, Rush, Ryan, Schuylkill, South Manheim, Tremont, Union, Upper Mahantongo, Walker, Washington, Wayne, West Brunswick, West Mahanoy, and West Penn.

**SNYDER COUNTY**

Boroughs of Beavertown, Freeburg, McClure, Middleburg, Selinsgrove, and Shamokin Dam.  
Townships of Adams, Beaver, Centre, Chapman, Franklin, Jackson, Middlecreek, Monroe, Penn, Perry, Spring, Union, Washington, West Beaver, and West Perry.



**TERRITORY COVERED BY THIS TARIFF (CONTINUED)**

**SUSQUEHANNA COUNTY**

Boroughs of Forest City and Union Dale.  
Townships of Clifford and Herrick.

**UNION COUNTY**

Boroughs of Hartleton and New Berlin.  
Townships of Gregg, Hartley, Kelly, Lewis, Limestone,  
Union, West Buffalo and White Deer.

**WAYNE COUNTY**

Boroughs of Bethany, Hawley, Honesdale, Prompton, and  
Waymart.  
Townships of Berlin, Canaan, Cherry Ridge, Clinton,  
Damascus, Dreher, Dyberry, Lake, Lebanon, Lehigh,  
Mount Pleasant, Oregon, Palmyra, Paupack, Salem,  
South Canaan, Sterling, and Texas.

**WYOMING COUNTY**

Borough of Factoryville.  
Townships of Clinton, Nicholson, Overfield, and  
Tunkhannock.

**YORK COUNTY**

Boroughs of East Prospect and Wrightsville.  
Townships of Fairview, Hellam and Lower Windsor.

**RULES FOR ELECTRIC SERVICE****(C)****RULE 1 - ELECTRIC SERVICE TARIFF****A. FILING AND INSPECTION****(C)**

A copy of this tariff containing rules and rate schedules for all electric service supplied by PPL Electric Utilities Corporation ("PPL Electric" or the "Company") in the territory covered by this tariff is on file with the Pennsylvania Public Utility Commission. A copy is available for inspection in each Company office in the territory covered by this tariff where payment for service is received. This tariff may be revised, amended, supplemented or otherwise changed from time-to-time in accordance with the Tariff Regulations of the Pennsylvania Public Utility Commission.

**B. SUPPLY OF ELECTRIC SERVICE**

The supply of electric service includes distribution service and also may include basic utility supply service.

**(1) Basic Utility Supply Service**

The supply of basic utility supply service referred to in these rules, rate schedules and in contracts with customers means readiness and ability of the Company to provide electric capacity and energy to:

- (a) customers who do not have the opportunity to purchase electric capacity and energy from their choice of electric generation suppliers;
- (b) customers who have the opportunity to purchase electric capacity and energy from their choice of electric generation suppliers, but do not choose an electric generation supplier and continue to purchase electric capacity and energy from the Company, operating as the electric distribution company and supplier of last resort as provided in Section 2807 (E) (3) of the Customer Choice Act;
- (c) customers who contract with an electric generation supplier for electric capacity and energy, but who do not receive delivery of such electric capacity and energy; and
- (d) customers who choose an electric generation supplier for electric capacity and energy and subsequently purchase basic utility supply service from the Company, operating as the electric distribution company and supplier of last resort as provided for in Section 2807 (E) (3) of the Customer Choice Act.

Under (c) and (d) above, the Company will provide capacity and energy to returning customers pursuant to the Rate Schedule, applicable riders, and agreements under which the customer previously was served, and such service shall not be considered a new application for service for purposes of Rate Schedule applicability.

**(2) Distribution Service**

The supply of distribution service referred to in these rules, rate schedules and in contracts with customers means readiness and ability of the Company to provide distribution of electric capacity and energy at the point of delivery sufficient to meet the needs of all electric generation suppliers' customers on the Company's system.

**(C)**

(Continued)

## RULE 1 - ELECTRIC SERVICE TARIFF (Continued)

(C)

### C. RESPONSIBILITY

Every Company employee is responsible for applying the provisions of this tariff without unlawful preference or advantage to any customer. No Company employee is authorized to modify any provision of this tariff or to bind the Company by any promise or statement contrary thereto. No promise of any Company employee is binding unless made in writing over the signature of a duly authorized representative of Company. The failure by the Company to enforce any of the provisions of this tariff, or standard practices thereunder, shall not be deemed a waiver of the Company's rights to do so.

**RULES FOR ELECTRIC SERVICE**  
**RULE 2 - REQUIREMENTS FOR SERVICE**

**A. SERVICE BY APPLICATION**

The Company may connect service on request or Company may, for the convenience of a new customer, leave a service energized at a premises which has become vacant. The customer shall notify Company the date service is desired or use of service begun and shall give information necessary for Company to properly supply the service and apply the provisions of this tariff.

**B. SERVICE CONTRACTS**

(1) Every non-residential applicant for electric service may be required to sign a contract specifying the intended use of service, the applicable rate schedule and other service conditions. A contract between Company and customer is valid only when accepted in writing by a duly authorized Company representative. The customer shall abide by the terms and conditions of the contract and the provisions of this tariff.

(2) Service is for an initial term of one year except as otherwise specifically provided.

(3) Acceptance or use of service is deemed a request for the supply of such service and constitutes a contract to pay for the service under these rules and the applicable rate schedule. The receipt of electric service makes the receiver a customer of the Company.

(4) Contracts with the Commonwealth of Pennsylvania for service under a street lighting service rate schedule which provides for an initial contract term extending beyond the end of the current fiscal period for which the Commonwealth may contract, shall specify an initial contract term to the end of said fiscal period with provision for renewal for subsequent full fiscal periods. Contracts for new installation shall include a provision that should service be discontinued before the end of the initial term specified in the rate schedule, then the Commonwealth shall pay Company's estimated expense due to such discontinuance.

**C. SELECTION OF RATE SCHEDULES**

(1) When more than one rate schedule is applicable to a service, the Company applies the rate schedule which is most advantageous to customer, based on customer's advice to Company regarding customer's anticipated service conditions. However, customer has the option of contracting for service under any applicable rate schedule.

(2) When customer's requirements change permanently and another rate schedule becomes more advantageous, Company will, after receiving notice of change in service conditions from the customer, recommend a new contract under the more favorable rate schedule for an initial term of not less than one year from the last meter reading date.

(3) When, through any cause, a contract is entered into with customer on a rate schedule not applicable to the service, Company will transfer the service to the rate schedule applicable, so notify customer and adjust the charges for service already supplied.

(Continued)

**RULE 2 - REQUIREMENTS FOR SERVICE (CONTINUED)****(C)****D. SECURITY DEPOSITS**

(1) The Company may require deposits or guarantees satisfactory to the Company as security for the payment of bills for service provided by the Company before it commences or continues to supply service. The need for deposit or guarantee is based on the credit and other risks of the individual. For residential service, a guarantee may be provided by a third party who is a responsible customer.

(2) The amount of deposit shall not exceed Company's estimate of the average bill for service provided by the Company for one-sixth of the estimated annual bill, with a minimum of \$5.00. For residential customers, the interest rate on security deposits will be computed at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under Section 806 of the Act of April 19, 1929 (P.L. 343, No. 176), known as The Fiscal Code. For all other customers, the interest rate will be the average of 1-year Treasury Bills for September, October, and November of the previous calendar year. Interest ceases upon refund of deposit or upon discontinuance or termination of service, whichever occurs first.

(3) Deposit, plus accrued interest, which may be held until a timely payment history is established, is refunded to a residential ratepayer under the following conditions:

- (a) When a ratepayer establishes credit.
- (b) When a ratepayer substitutes third-party guarantor (up to the limits of the guarantee).
- (c) When a ratepayer is not currently delinquent and has made on time and in full payments for service provided by the Company for 12 consecutive months.

(4) Deposit, plus accrued interest, is applied to the outstanding balance for service provided by the Company of any ratepayer upon termination or discontinuance of service and remainder is refunded.

(5) In the event of a termination of service, the Company may transfer to a third-party guarantor's account any portion of the unpaid balance for service provided by the Company.

**E. RIGHT-OF-WAY****(C)**

The customer (or property owner) shall provide, without charge to the Company, right-of-way and access across property owned or controlled by customer (or property owner) and locations and housings which are suitable in the opinion of Company for the construction, reconstruction, maintenance or operation of Company's overhead and underground distribution facilities. Suitable rights and right-of-way includes, but is not limited to, the right of ingress and egress to and from the electric facilities for any of the purposes aforesaid; and also the right to trim, cut or remove trees, underbrush and other obstructions which in the judgment of Company, may at any time interfere with the construction, reconstruction, maintenance or operation of the electric facilities, and in connection therewith, the right to treat with herbicides approved for the removal and control of trees, brush and undergrowth. The Company shall also have all of the aforesaid rights related to its provision of underground service to a customer/property owner, even if Company does not require the customer/property owner to execute a formal right-of-way document.

(Continued)

**RULE 2 - REQUIREMENTS FOR SERVICE (CONTINUED)**

**F. ACCESS**

Company employees shall have access at all reasonable hours to customer's premises, without charge, for the purpose of inspecting installations, installing meters, reading, testing, removing, replacing or otherwise maintaining or disposing of any of Company's property.

**G. CUSTOMER'S INSTALLATION**

The customer's service facilities shall be installed and maintained in accordance with Company's "Rules for Electric Meter and Service Installations". In residential and commercial complexes and multiple occupancy buildings, the owner is responsible for all service entrance facilities including individual service wiring where separate metering for each tenant is required by the Company. Company is not responsible for customer's wiring or equipment. Company is willing to assist customer with advice without incurring responsibility. Company may refuse to commence or continue service when, in Company's opinion, customer's installation is not in proper operating condition or does not conform to this tariff.

**(C)**

**RULES FOR ELECTRIC SERVICE**  
**RULE 3 - EXTENSION OF SERVICE**

**A. GENERAL PROVISIONS**

(1) A line extension is any construction beyond the normal service facilities (which include the service extension to the customer, transformers, transformer devices, service drop and meter) to extend the distribution system along the normal route of development of the distribution system to the point where the extension departs from the normal route of development and is being installed as a service extension solely for the customer. The distribution system is defined, for the purposes of this rule, as including all lines energized at voltages less than the nominal 69,000 volts and excluding service extensions and lines energized at voltages of nominal 69,000 volts or higher. The Company constructs line extensions from the nearest suitable and available distribution line to supply new customers, or to change the supply to existing customers, under Company's standard rate schedules subject to the provisions of this rule. However, the estimated cost of facilities subject to annual charges under Rule 4 or customer contributions-in-aid-of-construction (CIAC) are not subject to the provisions of this rule. (C)

(2) All provisions of these rules and of the applicable rate schedule, including any provisions relating to net and gross payments, apply to service supplied and charges made under this rule except as specifically provided herein.

(3) The length of a line extension is the total length of new pole line installed by the Company to the property line of the customers served from that extension, plus the length of any line installed on existing poles where the existing facilities are unsuitable.

(4) The Company requires, before construction, that:

- (a) Customers supplied from a line extension for which an annual guarantee is required, sign contracts acceptable to the Company with an initial term of not more than five years. A contract may be canceled at the request of the customer before the end of the initial term by immediately fulfilling all contract obligations for the remainder of the initial term.
- (b) Customers install wiring and other facilities necessary to use the Company's service.
- (c) Satisfactory right-of-way and other necessary permits are granted to the Company to construct the line extension along the route selected by the Company.
- (d) Customer agrees to pay to the Company any initial and recurring right-of-way rental fees in excess of a nominal amount that are incurred by the Company in constructing and maintaining the line extension.

**B. LINE EXTENSIONS**

(1) The Company requires a minimum distribution revenue guarantee for installation of any length of single phase line extension in excess of 2,500 ft. along the normal route of development of the distribution system, and for installation of all multi-phase line extensions. The guarantee period is 5 years or less.

(Continued)

**RULE 3 - EXTENSION OF SERVICE (CONTINUED)**

**(C)**

**B. LINE EXTENSIONS (Continued)**

(2) Minimum distribution revenue guarantees for single phase extensions are based only on the estimated contractor costs, if any, and the estimated direct labor costs and estimated direct material costs attributable to construction of the line extension beyond 2,500 ft. Guarantees for multi-phase extensions are based on estimated fully allocated costs, and are credited with the equivalent single phase length allowance for up to 2,500 ft. of new pole line along the normal route of development of the distribution system.

(3) Any length of line extension on, or through, restricted lands is excluded from the single phase length allowance and is subject to a line extension guarantee.

(4) The estimated excess cost of construction other than would normally be required for installation of the line extension, is paid by the customer prior to installation.

**C. SPECULATIVE LINE EXTENSIONS**

(1) A line extension is speculative when, in the Company's judgment, the continued future use of the facilities by any customer is uncertain.

(2) The Company requires a minimum distribution revenue guarantee for speculative line extensions equal to the Company's estimated fully allocated installation and removal costs, less salvage, with no length allowance. Prior to construction, the Company may require from the customer a surety bond, or other security acceptable to Company, in the amount of the guarantee in addition to any deposit required to secure payment of service bills.

(3) Distribution revenue guarantees for speculative line extensions include service extension facilities, as well as distribution line facilities.

**D. EXTENSIONS FOR INDIVIDUAL SERVICE**

All service extensions off the Company's distribution system to serve individual customers are installed under Tariff Rule 4.

**E. LINE EXTENSIONS FOR DEVELOPMENT AREAS**

The Company constructs line extensions to supply service to customers in residential, commercial or industrial developments in specific areas, with annual guarantees determined in accordance with Section B or C hereof, based on the number of customers which the Company knows are to be served in the development within two years from initial construction. The developer (or property owner) provides, without charge to the Company, right-of-way for lines and equipment which is suitable in the opinion of the Company for the installation of Company facilities throughout the development.

Suitable right-of-way includes, but is not limited to, providing ground line clearing of trees, brush and other obstructions, rough grading, and access by mechanical construction equipment.

When restoration of service to the premise is not possible due to an obstruction the customer, or the owner of the property on which the obstruction is situated is responsible for removing the obstruction.

**(C)**

(Continued)



**RULE 3 - EXTENSION OF SERVICE (CONTINUED)****(C)****F. ANNUAL GUARANTEE**

(1) The total guarantee for a line extension is divided among the customers to be supplied initially from the line extension to determine the total amount to be guaranteed per customer which is then divided by the number of years in the initial term of the contract to determine the customer's annual guarantee. A customer may assume more than a pro rata share of the guarantee for the line extension.

(2) The Company reserves the right to determine the guarantee of a customer on the proportionate length of the line extension used in common with other customers plus the additional length required to serve the individual customer.

(3) Each customer agrees that when the net service bills rendered during the period from the start of the initial term of the contract to the end of the current year total less than the sum of the customer's annual guarantee over that period, then the difference becomes due and payable.

The customer may elect to make a one-time payment to the Company in lieu of annual differential billings during the period of the guarantee. The payment, which will be equal to the total amount of the guarantee, will be subject to partial refunds each year based upon the actual amount of the customer's distribution service billings.

**G. TEMPORARY SERVICE**

The Company supplies temporary service in accordance with the provisions of Rule 7.

**H. REAPPORTIONMENT AND WAIVER OF LINE EXTENSION GUARANTEE**

(1) When additional customers are connected to an existing or additional line extension, the remaining total amount to be guaranteed for the existing line extension is reapportioned for all customers including the new customers, providing such reapportionment does not increase the guarantees of the existing customers. Otherwise, the additional line extension is considered as a new line extension.

(2) When the accumulated distribution revenue from the start of the initial term of contract equals the total amount to be guaranteed by the customer, service is supplied without the application of the annual guarantee determined under this rule.

**I. TAXES ON CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES****(C)**

Any distribution service-related CIAC, customer advance or other like amounts received from the customer which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or customer advance will not be charged to the specific contributor of the capital.

## RULES FOR ELECTRIC SERVICE RULE 4 - SUPPLY OF SERVICE

(C)

### A. CHARACTERISTICS OF SERVICE

(1) The Company's standard service is single or three-phase, sixty Hertz alternating current at standard voltages as specified in the Company's "Rules for Electric Meter and Service Installations". Standard service includes overhead service and underground service at new residential developments, locations where the Company in its discretion has elected to install underground facilities and at locations where the customer has paid for the incremental cost of installing facilities underground. All non-standard service is in the process of elimination and no new or additional non-standard service will be supplied.

(2) The distribution system is defined, for the purposes of this rule, as including all lines energized at voltages less than the nominal 69,000 volts and excluding service extensions and lines energized at voltages of nominal 69,000 volts or higher. However, this definition does not affect the Company's obligations under the Federal Power Act and/or the Public Utility Code, as applicable: (1) to provide safe, reliable and adequate retail electric service to customers taking service at voltages of 69 kV and above, and (2) to provide just and reasonable and non-discriminatory distribution and transmission rates, terms and conditions of service to such customers.

(3) When a rate schedule specifies service at secondary voltage or specifies no particular voltage, Company furnishes, where necessary, one standard transformation at the point of delivery from the line voltage to a standard secondary voltage. Where the rate schedule specifies service at distribution voltages, service is supplied from the nearest available line of not less than that voltage and customer furnishes all equipment necessary to transform the energy from the line voltage.

(4) The Company extends service facilities from its distribution lines to the customer's point of delivery. The customer pays the estimated cost of service extension length over 500 ft. and the estimated additional cost of facilities other than those which the Company would normally install to meet the customer's load requirements.

(5) The Customer provides, without charge to the Company, suitable right-of-way across property owned or controlled by the customer (or property owner) including but not limited to: ground line clearing of trees, brush and other obstructions, rough grading, and access by mechanical construction equipment. When restoration of service to the premise is not possible due to an obstruction, the customer, or the owner of the property on which the obstruction is situated is responsible for removing the obstruction.

(C)

(6) The point of delivery is the point designated by Company where Company's service conductors are connected to customer's service entrance conductors, terminals, or bus. Company installs and maintains facilities to the point of delivery and shall not be required to install or maintain any conductors, meter base, equipment or apparatus except meter and meter accessories beyond that point.

(7) The Company normally supplies energy to only one point of delivery to a premise. The Company may provide a separate point of delivery at the customer's request as a line and/or service extension. The customer pays the fully allocated cost of any primary or secondary facilities needed to serve the additional points of delivery. For application of this rule, services to more than one building or facility located on the same property and owned by the same entity will be considered service to a single premise; each individual building or facility will not be considered a separate premise.

(Continued)

**RULE 4 - SUPPLY OF SERVICE (CONTINUED)**

**(C)**

**B. SPECULATIVE SERVICE EXTENSIONS**

(1) A service extension is speculative when, in the Company's opinion, there is doubt as to the initial or continued use of the new facilities by the customer. This may include, but is not limited to separate points of delivery, and service at locations which are relatively inaccessible or remote, or where the customer has less investment than is required by the Company to supply service.

**(C)**

(2) When a service extension is speculative, the Company requires a minimum distribution revenue guarantee equal to the Company's estimated fully allocated cost of installation and removal of all facilities less any contribution in aid of construction by the customer. The guarantee is for a five year period or less.

(3) Each customer agrees that when the net distribution service bills rendered during the period from the start of the initial term of the contract to the end of the current year total less than the sum of the customer's annual guarantee over that period, then the difference becomes due and payable.

(4) The customer may elect to make a one-time payment to the Company in lieu of annual differential billings during the period of the guarantee. The payment, which will be equal to the total amount of the guarantee, will be subject to partial refunds each year based upon the actual amount of the customer's distribution service billings.

(5) The Company may require, in addition to any deposit necessary to secure payment of service bills, a surety bond or other security acceptable to the Company, to guarantee the fulfillment of the agreement.

(6) Where the customer requires a speculative service extension to be disconnected and Company facilities left in place for subsequent reconnection, the service extension shall be treated as temporary service under Tariff Rule 7. In addition, for each reconnection of service the customer pays the cost of connection and disconnection.

(7) A speculative service extension guarantee may be discontinued prior to expiration of the contract whenever the service becomes non-speculative in nature.

(8) A speculative service extension requires an "in advance of construction" payment of the fully allocated cost of engineering design and survey work to produce a detailed estimate.

**C. METHOD OF SERVICE**

(1) The Company furnishes and installs all electric service line facilities extending from its distribution supply lines at or near the customer's property line to the customer's point of delivery using normal construction for load conditions according to Company standards except as follows:

- (a) The Company may at its discretion install other than normal service facilities at the customer's request and at the customer's expense.
- (b) The customer provides all mechanical facilities on his property, other than poles and guys, which are required to accommodate the installation of the Company's electric facilities. All electric facilities, and all mechanical facilities, installed by the customer on the Company's side of the point of delivery which are not in, on or under buildings shall, after installation, be owned and maintained by the Company and be available for further extension.
- (c) The customer at his option may install all service lines and related facilities on his property. Such facilities shall be on the customer's side of the point of delivery and shall be owned and thereafter maintained by the customer.

(Continued)

**RULE 4 - SUPPLY OF SERVICE (CONTINUED)****(C)****C. METHOD OF SERVICE (Continued)**

- (d) When a customer requests service in the vicinity of Company underground distribution facilities, the Company may require the customer to take underground service under the same terms and conditions which would apply if the Company supply were overhead.

(2) The Company may establish an underground system at its own option except as provided in (3) below when in the Company's opinion the circumstances justify the investment, and at the customer's request on condition that Company installs the complete electrical system to the point of delivery and the customer installs the mechanical facilities; ownership and maintenance of all facilities in the development on Company's side of the point of delivery that are not in or under buildings shall vest in the Company; the developer grants the Company, free-of-charge by perpetual easement, the sole right to move, maintain, and extend these facilities. The developer agrees to pay the Company, in advance, the Company's estimated excess cost over normal overhead construction.

**(3) Underground Electric Service in New Residential Developments**

The Company installs only underground distribution and service facilities in residential developments of five or more adjoining lots for the construction of single-family residences, detached or otherwise, mobile homes, or apartment houses intended for year round occupancy, when service requires the extension of primary voltage lines. It does not apply to tracts of land which are subdivided, but not developed into utility-ready lots by a bona fide developer.

The applicant for electric service to a development shall conform with the following:

- (a) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-light lines and related facilities.
- (b) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant shall follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, such excavating and backfilling shall be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse service until such standards and specification are met.
- (c) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including

(Continued)

**RULE 4 - SUPPLY OF SERVICE (CONTINUED)****(C)****C. METHOD OF SERVICE (Continued)**

coordination with any other Company sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary cost and delay.

(d) Pay to the Company any necessary and estimated additional costs incurred by the Company as a result of the following:

**(C)**

1. Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric service and is acceptable to the Company.
2. A change in the plot plan by the applicant for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
3. Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead service.

(e) No charges other than those described in paragraph (d) shall be borne by the applicant for electric service or by another utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.

(4) The Company may supply service, upon request, in a manner which requires additional facilities or related regulated services to be performed, which are over and above those that the Company would normally install or provide, if the customer agrees to pay the Company at a fair and nondiscriminatory price for those additional facilities or related regulated services.

**D. ALTERNATE SERVICE****(C)**

The Company furnishes one source of service to a single point of delivery to a premises. However, when a customer requests an alternate source of service, the Company will install the additional facilities required providing the customer agrees to compensate the Company for the estimated cost of the additional facilities maintained for the alternate service and for the future estimated costs of continuing the alternate service.

**E. CAPACITY**

The Company's facilities have a limited capacity. Therefore, to assure satisfactory operation of customers' equipment and to protect both customer's and Company's facilities against damage, each customer shall notify the Company of any substantial increase in use of service so that additional facilities may be provided in accordance with the applicable provisions in this tariff.

(Continued)

**RULE 4 - SUPPLY OF SERVICE (CONTINUED)**

**(C)**

**F. CONTINUITY**

(1) The Company uses reasonable diligence to preserve continuity of service, but in the event of interruption or curtailment of service, Company shall not be subject to any liability, penalty or payment for or on account of any such interruption or curtailment nor shall the application of the rate schedule to the regular billing period be affected.

(2) The Company may temporarily suspend service for the purpose of making necessary repairs and makes every reasonable effort to notify customers in advance, except in cases of emergency.

**G. EMERGENCY LOAD CONTROL**

(1) A load emergency situation exists whenever:

(a) the demands for power on all or part of the utility's system exceed or threaten to exceed the capacity then actually available to supply such demands;

(b) system instability or cascading outages could result from actual or expected transmission overloads or other contingencies; or

(c) such conditions exist in the system or another public utility or power pool with which the utility's system is interconnected and cause a reduction in the capacity available to the utility from that source or threaten the integrity of the utility's system.

(2) In such case, the utility shall take such reasonable steps as the time available permits to bring the demands within the then-available capacity or to otherwise control load. Such steps shall include but shall not be limited to reduction or interruption of service to one or more customers, in accordance with the utility's procedures for controlling load.

**H. EMERGENCY ENERGY CONSERVATION**

An emergency energy conservation situation exists whenever events result or, in the judgment of the utility, threaten to result in a restriction of the fuel supplies available to the utility or its energy vendors, such that the amount of electric energy which the utility is able to supply is or will be adversely affected. In the event of an emergency energy conservation situation, the utility shall take such reasonable measures as it believes necessary and proper to conserve available fuel supplies. Such measures may include, but shall not be limited to reduction, interruption or suspension of service to one or more of its customers or classes of customers in accordance with the utility's procedure for emergency energy conservation.

**I. RELOCATION OF FACILITIES**

(1) The relocation of customer's facilities due to moving or rearranging Company's facilities at the direction of either the federal, state or local government is the customer's responsibility and expense.

(Continued)

## RULE 4 - SUPPLY OF SERVICE (CONTINUED)

### I. RELOCATION OF FACILITIES (Continued)

(2) The relocation of Company facilities, when done at the request of others, is at the applicant's expense and payment of the Company's estimated cost of the relocation is required in advance of construction. When the request is from an affected property owner and the facilities are on the customer's property, the charges for relocation of distribution system facilities are limited to estimated contractor costs, estimated direct labor and estimated material costs, less an amount equal to any estimated maintenance expense avoided as a result of the relocation. (C)

### J. EMERGENCY ASSISTANCE

The Company may, upon request, assist in emergencies to correct defects in and make temporary repairs to the customer's installation. Any such assistance shall be accepted by the customer without involving responsibility on the part of the Company.

### K. CHANGE IN SERVICE CONDITIONS

The Company may, upon request, make a change in service conditions provided the customer pays the estimated fully allocated cost to be incurred by the Company.

**RULES FOR ELECTRIC SERVICE****RULE 5 - USE OF SERVICE****A. CUSTOMER'S RESPONSIBILITY****(C)**

The customer assumes full responsibility for the energy and facilities at and beyond the point of delivery. Interruption of service and variation in supply characteristics (including, but not limited to, high or low voltage, operation of protection or control devices, single phasing of three phase service, and phase reversal) can occur. To prevent or limit damage from such events it is Customer's responsibility to purchase and install protective devices and/or install or otherwise provide for alternate power supplies that are available from third parties to protect Customer's facilities and property. The customer's use of service shall not cause damage to Company's equipment or impair this service to other customers. The foregoing provisions do not change the Company's duty and responsibility to provide safe and adequate service to the point of delivery.

**B. PURPOSE AND LOCATION**

Service shall not be used for any purpose or at any location other than that stipulated in the contract or this tariff.

**C. PERMANENT CHANGE OF USE**

When a customer notifies Company in writing of any permanent change which reduces the capacity Company is required to have available, and when required, executes a new service contract, the Company will as of the first meter reading date thereafter apply the rate schedule applicable to the changed conditions for subsequent billing.

**D. SERVICE DURING CONSTRUCTION OR EMERGENCY**

(1) The Company suspends the contract term for a period not exceeding six consecutive months--

(a) following the initial connection of service for gradual installation of equipment or development of customer's operation as contemplated under the contract.

(b) upon written request from the customer following a forced temporary suspension of a portion of all of customer's operation due to an emergency such as an accident, fire, flood or other act of God, but not due to strike, lockout, seasonal curtailment or other business conditions.

(2) Bills for service during the suspension period are based on demands and energy supplied during such period applying the rates and minimum charges of the applicable rate schedule most advantageous to the customer. When the period in which the suspension starts is less than a normal billing period, bills are prorated. The suspension period ceases with the billing month in which the establishment or restoration of normal service occurs or after six full billing months whichever is the earlier. The initial contract term is extended for an equal period, including any extension guarantee period required thereunder.

(Continued)



**RULES FOR ELECTRIC SERVICE**  
**RULE 5 - USE OF SERVICE (CONTINUED)**

**(C)**

**E. ABNORMAL DEMAND AND USAGE**

All metered demands and usage, including abnormal demands and usage which are inconsistent with the customer's normal use pattern, are billed as metered in the billing period in which they occur. This provision may be waived at the Company's option.

**F. REDISTRIBUTION OF SERVICE**

(1) Energy purchased from the Company shall not be submetered and resold to another party except as permitted under 5F(2), 5F(4), and 5F(5). It is the Company's intent to meter and bill each tenant as an individual customer. Tenant is defined as an occupant of a multi-tenancy commercial building or parcel where it is expected that tenure shall be for a year or more. For the purpose of this rule, the term multi-tenancy commercial building shall include any structure which contains or houses 3 or more separate and distinct residential or commercial units.

**(C)**

(2) Where installation of electric service was completed by May 21, 1980, electric energy may be redistributed and submetered to tenants provided service to the premises is to one point of delivery through a single meter under the applicable general rate schedule, and charges for electric service to such tenants do not exceed charges as computed under the Company's applicable rate schedule for comparable service.

(3) At the service locations covered hereunder connected after May 21, 1980, each tenant shall be served, metered and billed individually by the Company under the appropriate rate schedule except where a definite commitment has been made as of that date to permit master metering with the resale provision of 5F(2). Upon application, affidavit, and proof presented to the Company, any owner (or his duly authorized representative) of a new multi-tenancy commercial building may seek an exception to Tariff Rule 5(F) by demonstrating that the installation of individual electric meters at each separate unit within the building is neither feasible nor practical from a financial, technical, or engineering point of view or by citing any other valid reason; all of which must be designed to prove that the installation of individual electric meters within the building will not achieve any notable reduction in the consumption of electricity by the tenants in the building beyond that which would be accomplished through the use of a master metering system with efficient heat controls.

(4) Company, at its discretion, may permit submetering for both existing and new service locations in accordance with the resale provisions of 5F(2) when all of the following conditions are present:

- (a) It is impractical for the Company to separately bill each tenant.
- (b) Each tenant has control of the majority of his electric energy use.

**(C)**

(Continued)

**RULES FOR ELECTRIC SERVICE**  
**RULE 5 - USE OF SERVICE (CONTINUED)**

**F. REDISTRIBUTION OF SERVICE (CONTINUED)**

(5) For purposes of third-party owned Electric Vehicle (EV) charging stations, owning and operating an EV charging station shall not be considered redistribution as defined under 66 Pa. C.S. §1313 and §69.3501(b) (relating to section 1313 of the Public Utility Code).

- (a) Owner and/or operators of third-party electric vehicle charging services are to notify the Company of a planned installation of the electric vehicle charging facilities in accordance with Rules 2 – Requirements for Service, 3 – Extension of Service, and 4 – Supply of Service. In addition, the Customer, who may be either the owner or host of the third-party owned electric vehicle charging stations, shall notify the Company at least one hundred twenty (120) days in advance of the planned installation date and may be required to install metering for the EV charging stations as determined by the Company.

**G. VANDALISM**

When Company street light facilities at a location are repeatedly vandalized, the customer shall reimburse the Company for all costs to repair such vandalism after the second recorded incident over a consecutive 24-month period.

**RULES FOR ELECTRIC SERVICE  
RULE 6 - AUXILIARY SERVICE  
FOR NON-QUALIFYING FACILITIES**

**(C)**

**A. APPLICATION**

(1) Service to customers who have another source of power which can be substituted for Company's service for any of customer's operations. Service is supplied under the terms of this rule unless such other source of power is maintained solely for use in case of interruption of the Company's service. Service to Qualifying Facilities (QFs) is provided for under Rule 6A.

(2) Service is supplied only where Company has available the capacity and facilities adequate for the service and only under a contract for an initial term of one or more years under a general service rate schedule with measured demands. Bills for service are based on charges specified in the rate schedule, subject to a minimum charge as described in this rule.

(3) The customer's equipment may not be operated concurrently by means of service supplied by Company and by such other source of electric or mechanical power except upon written agreement setting forth the conditions of such operation.

(4) Customers selecting Rule 6 do not qualify for the Net Service provision of Rule 11.

**B. MINIMUM CHARGE**

The minimum monthly charge is the KW demand and KWH energy charges in the rate schedule for 100 hours use of the kilowatts of Reserved Capacity, plus the succeeding KW charge in the rate schedule for any kilowatts of the Billing KW in excess of the kilowatts of Reserved Capacity.

**C. RESERVED CAPACITY**

(1) When customer's entire power requirements exceed the capacity of such other source of power and no load limiter is installed, the Reserved Capacity is the rated capacity in kilowatts (at unity power factor) of customer's other source of power. In all other cases the Reserved Capacity is the average kilowatts, supplied during the single 15 minute period of maximum use during the current billing month or any of the preceding 11 months, but not less than the kilowatt setting of a load limiter, or, when no limiter is installed, not less than Company's estimate of the number of kilowatts of customer's entire power requirements as stated in the contract.

(2) The customer has the option of furnishing, installing, and maintaining a load limiter for service supplied by Company, which shall be approved, set, and sealed by Company. The limiter will be set at approximately the number of kilowatts of Reserved Capacity contracted for by the customer.

**(C)**

**RULES FOR ELECTRIC SERVICE**

**RULE 6A - STAND-BY SERVICE  
FOR QUALIFYING FACILITIES**

**A. APPLICATION STAND-BY SERVICE**

(1) The Company will supply Stand-by Basic Utility Supply Service under terms of this Rule to: (a) Qualifying Facilities (QFs) as defined in the Public Utility Regulatory Policies Act of 1978, or (b) a customer that contracts with a QF and that must be served under the requirements of either federal or state law.

(2) Stand-by Basic Utility Supply Service is provided only where the Company has available capacity and facilities adequate for the service requested and only pursuant to a power purchase or interconnection agreement with the Company.

(3) Customers selecting Rule 6A do not qualify for the Net Service provision of Rule 11.

**B. TYPES OF STAND-BY SERVICE AVAILABLE**

(1) Supplementary Power is electric energy or capacity supplied by the Company and regularly used in addition to that energy or capacity supplied by that QF. All energy or capacity supplied by the Company under this rule shall be Supplementary Power unless it is provided as Back-up Power or Maintenance Power as defined below.

(2) Back-up Power is electric energy or capacity supplied by the Company to replace energy or capacity regularly supplied by the QF's equipment when such equipment is not available during an outage other than prescheduled maintenance or fuel supply disruptions. An outage is defined as the forced interruption of the QF's entire generation output. Back-up Power shall be limited to 1,314 hours during the most recent consecutive twelve-month billing periods. Any additional power supplied above the 1,314 hour limit shall be billed as Supplementary Power. The QF must provide the Company with a written notification of the use of Back-up Power within seven business days after conclusion of the use. This notification must include the day and time at which the use of Back-up Power began, the reason for the usage, and the actual duration of the use of Back-up Power. **(C)**

(3) Maintenance Power is electric energy or capacity supplied by the Company during a prescheduled maintenance outage of the QF's generating equipment. Maintenance Power is available for not more than 70 days per year and must be scheduled during the periods March 16 to May 31, and September 16 to November 30. The QF must confirm with the Company in writing 60 days before receiving such power and indicate the required capacity and proposed duration of Maintenance Power use. The required capacity and proposed duration of Maintenance Power use can be changed after the 60-day notice is given, but before the outage occurs, by mutual written agreement between the Company and the QF. The QF must provide the Company a written notification of the use of Maintenance Power within seven business days after the conclusion of the use. This notification must include the day and time at which the use of Maintenance Power began and the actual duration of the use of Maintenance Power.

**C. INTERCONNECTED AND PARALLEL OPERATION**

The QF shall comply with all Company requirements concerning interconnected or parallel operations. These requirements are on file with the Commission as part of the Company's annual PURPA Section 210 filing and/or are contained in power purchase and interconnection agreements between the Company and QFs.

(Continued)

**RULE 6A - STAND-BY SERVICE  
FOR QUALIFYING FACILITIES (CONTINUED)**

**(C)**

**D. INTERRUPTIBLE OPTION**

Back-up Power is available on an Interruptible basis to QFs with generators rated in excess of 500 KW. Interruptible Back-up Power may be interrupted when, in the Company's opinion, any generation, transmission, or distribution capacity limitations exist or during periods of economic load control. Whenever possible, the QF will be notified in advance of a probable interruption and the estimated duration of the interruption. If the QF fails to interrupt, a penalty of \$24.95 per KW shall be billed for each KW that has not been interrupted, in addition to applicable Back-up Power charges. The Company will notify the QF by telephone at the conclusion of the interruption. A credit of \$0.35/KW for Service at 480 volts or less, \$0.30/KW for Service at 12,470 volts, \$0.25/KW for Service at 69,000 volts or higher will be applied to the QF's monthly bill for each KW interrupted in any month in which an interruption is requested. No credits will be applied if the QF fails to interrupt all Back-up Power.

**E. RATES FOR STAND-BY SERVICE**

(1) Supplementary Power is metered and billed separately under the Company's applicable general service rate schedule.

(2) (a) Back-up Power is billed separately. The billing is based on KW demand and KWH registered on the Company's meters. Where such actual KW demand use exceeds the KW specified under paragraph G, such excess KW and, on a percentage basis, the associated KWH shall be billed as Supplementary Power. When metered KW demand use is not available, the KW demand billed will be based on the KW of Back-up Power specified under paragraph G. When metered KWH use is not available, the KWH energy billed under the Back-up Power rates will be calculated by multiplying the KW of Back-up Power specified under paragraph G by the number of hours of the unscheduled outage.

(b) The QF will pay a Monthly Reservation Charge equal to the KW of Back-up Power specified under paragraph G multiplied by the Back-up Power capacity charge. The monthly minimum bill shall be the greater of the Monthly Reservation Charge or charges for actual Back-up Power usage.

(c) Back-up Power will be billed using the following charges:

**(C)**

	<u>Service at 480 Volts or Less</u>	<u>Service at 12,470 Volts</u>	<u>Service at 69,000 Volts or Higher</u>
Distribution Charge	\$60.00 <b>(I)</b>	\$169.80	\$994.00
	\$3.985/KW <b>(D)</b>	\$2.547/KW <b>(I)</b>	\$0.000/KW

(Continued)

**RULE 6A - STAND-BY SERVICE  
FOR QUALIFYING FACILITIES (CONTINUED)**

**(C)**

**F. KW DEMAND**

The KW Demand is the average number of Kilowatts supplied during the 15 minute period of maximum use during the current billing period.

**G. DATA REQUIREMENTS**

The QF must supply the Company with an annual written notice, on or before September 1, of its Stand-by Service needs for the subsequent calendar year. This notice must contain the following information necessary to implement this Tariff:

- KW of Back-up Power
- Designation of Back-up Power as Firm or Interruptible
- KW of Maintenance Power and preliminary schedule for use thereof

The QF shall provide any data, books or records that Company may request to confirm or check the extent, type or duration of any QF outages.

**H. PAYMENT**

**(C)**

The rates stated in this Tariff apply when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date the bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid, a one time late payment charge equal to 5% of the first \$200.00 of the then unpaid balance plus 2% on the remainder will be added to the unpaid amount.

**RULES FOR ELECTRIC SERVICE**

**(C)**

**RULE 7 - TEMPORARY SERVICE**

**A. TEMPORARY SERVICE**

(1) Temporary service is service for less than one year or for a year or more when Company must install facilities that will be used solely for a service that is known to be limited in duration. Service is supplied for not less than one month at the applicable rate schedule subject to the provisions of this rule. In no event is service billed for a total period of less than one month. Temporary service also includes seasonal service, which is service for less than one year, for which the Company is requested to leave the facilities in place for subsequent reconnection in following years. **(C)**

(2) The customer pays, in advance, a non-refundable temporary connection charge equal to the Company's estimated engineering installed cost and net removal cost of all necessary facilities other than transformer, service drop, and metering, required to provide the temporary service. Where it is necessary to install and remove a transformer, service drop and meter, or to energize facilities already in place, the customer also pays a non-refundable connection and disconnection charge representing the cost of performing this work. The Company may require that the customer pay the connection and disconnection charge in advance. **(C)**

(3) Company has the option to supply service without the application of this rule for prearranged tests or demonstrations.

(4) The Company may remove all facilities used solely to supply temporary service upon discontinuance of service by the customer.

(5) The provisions in this rule for temporary service apply to annually recurring service; however, they do not apply for service to permanent residences on a residential service rate schedule.

**RULES FOR ELECTRIC SERVICE  
RULE 8 - MEASUREMENT OF SERVICE**

**(C)**

**A. LOCATION AND METHOD OF MEASUREMENT**

(1) The customer provides free of expense to Company, at a location designated by Company, a suitable place for the Company meters which is readily accessible to Company employees at all reasonable hours.

(2) The Company installs and maintains the metering equipment, unless otherwise allowed by the Commission. Where energy is metered at a point other than the point of delivery or at a voltage other than the supply voltage, readings of the meters are corrected to conform to measurement at the point of delivery and voltage supply.

**B. METER INSTALLATIONS**

Service at each point of delivery is metered through one or more meters as required by the applicable rate schedules. Measurements from metering equipment for separate points of delivery are never combined for billing purposes except temporarily pending completion of necessary changes in Company's facilities.

In residential and commercial complexes and multiple occupancy buildings connected after May 21, 1980, each independent occupant is separately metered and billed by the Company as an individual customer unless redistribution of service is authorized by the Company. The Company does not provide service to two or more customers through a single meter except as specifically provided for in Tariff Rule 5F or the applicable rate schedule.

**C. UNMETERED SERVICE**

The Company, at its option, may determine kilowatt hours and billing demands by computation instead of by measurement for installations having a fixed load or demand value controlled to operate for a definite number of hours during a billing period. An electric service contract is required for billing this unmetered service.

**D. METER TESTING**

**(C)**

The testing and adjustment of meters are made in accordance with any applicable law and any regulation. The company may require customers to pay a fee of \$35.00 for a meter test.

**E. DETERMINATION OF DEMAND**

(1) The fractional part of the demand billing unit specified in the rate schedule in excess of the minimum is taken as a whole when equal to one-half or more, otherwise, the fractional part is disregarded.

(2) Where the rate schedule provides that the demand is determined by quantities supplied during two or more periods of use, not more than one such period is taken from any one day's measurements that apply to such determination.

(3) Where the charges are based on a connected load, the customer's connected load is determined by inspection whenever Company deems necessary. Company will estimate the connected load of any customer who does not permit Company's representative to make such inspection.

(4) The Company's electric meters record average demand every 15 minutes or hourly and resets the register to zero after each monthly billing cycle. The determination of demand excludes power factor correction.

**(C)**

(Continued)

**(C)** Indicates Change



**RULE 8 - MEASUREMENT OF SERVICE (CONTINUED)**

**F. DEMAND INFORMATION**

(1) When the customer desires to install electric load control equipment or obtain meter transmitted energy data, the Company will install the appropriate meter and connection tie box (hereinafter called "Demand Information System") at no cost to the customer. REMSI Sketch 46 provides the wiring diagram and identifies Company and Customer responsibilities.

(2) The Company will not be held responsible for interruption to the Demand Information System due to blown fuses, failure, or any malfunction of Customer's Equipment. In addition, the Company reserves the right to interrupt the supply of electric demand information to perform meter tests or maintenance procedures and, in so doing assumes no responsibility for the effects on the Customer's operation or equipment.

(3) If at any time, in Company's sole judgment, based upon existing facts and circumstances, the supply of electric demand information through the Demand Information System becomes detrimental to reliable metering, the Company shall have the right to disconnect the Demand Information System from its metering facilities immediately upon advance notice to the customer and without liability.

(4) Under no circumstances shall the Customer modify, adjust or interrupt the operation of the Company's facilities. In addition, the Company's billing meter installation shall, in all instances, govern when establishing Customer's energy and demand record for billing purposes.

**G. AUTOMATIC METER READING FEE**

**(C)**

(1) Upon customer request, the Company will secure an in-person meter reading to confirm the accuracy of an automatic meter reading when a customer disconnects service or a new service request is received. The fee is \$30 and the Company will include this fee on the customer's or applicant's bill.

**RULES FOR ELECTRIC SERVICE**

**(C)**

**RULE 9 - BILLING AND PAYMENT FOR SERVICE**

**A. BILLING PERIOD**

(1) Bills for service supplied during the preceding billing period, other than initial and final bills, are rendered monthly. Normal billing is for a period of 26-35 days and is based on meter readings taken by Company at the end of each period.

**(C)**

(2) When a billing period is more or less than a month, such as for initial or final bills, the monthly rate is prorated.

**B. ESTIMATED BILLS**

(1) Company may render an appropriately marked estimated bill when a meter reading is not obtained. Company may read meters for longer than monthly intervals and may under such circumstances render estimated interim bills for normal billing periods.

(2) Estimated bills shall be paid in accordance with the provisions of this rule and the applicable rate schedule. If unusual circumstances occur during a period for which an estimated bill has been issued and are brought to the Company's attention, an appropriate adjustment will be made by Company.

(3) Upon request, the Company will supply any customer with a billing schedule and a card from upon which he may record his meter readings at the end of each normal billing period which otherwise would be estimated. If such card is received by the Company by the date specified on the schedule, except where it is apparent to the Company that the information is erroneous, the bill for such period will be computed from the meter reading shown on the card.

(4) The Company will take reasonable measures to obtain meter readings, however, the Company may prepare an estimated bill for any customer if extreme weather conditions, emergencies, equipment failure, work stoppages, or other circumstances prevent actual meter readings or if Company personnel are unable to gain access to obtain an actual meter reading.

**C. DUE DATE**

The due date specified on the bill is not less than 15 days from the date bill is mailed except that for service under, or billed in conjunction with, residential rate schedules the due date is not less than 20 days from the date bill is mailed and for service to federal, state or local governments or to any governmental department, institution or authority, the due date is not less than 30 days from the date bill is mailed via the U.S. Postal Service or sent electronically.

**(C)**

**(C)**

(Continued)

**RULE 9 - BILLING AND PAYMENT FOR SERVICE (CONTINUED)**

**(C)**

**D. PAYMENT**

(1) Bills are considered as received by customer when delivered via the U.S. Postal Service or mailed electronically to the premises where the service is supplied or an address mutually agreed upon. Delay in the receipt of or failure to receive bill does not extend the due date. **(C)**

(2) Bills may be paid during business hours at any commercial office or collection agency of the Company authorized to receive payments.

(3) Payment of bills by mail will be accepted as paid when postmarked before midnight on the due date or when received by the Company within five days after the due date. Payments of bills that are electronically transmitted to the Company will be accepted as paid on the date of the actual receipt of payment. **(C)**

(4) Payment of bills after the due date specified on the bill is subject to a late payment charge, as provided for in the applicable rate schedule.

(5) The customer is responsible for payment for use up to discontinuance or termination of service.

(6) In the event of discontinuance or termination of service at a residence or dwelling, the Company may transfer any unpaid balance to any other residential account of the same ratepayer, or in the event of termination, to a third-party guarantor's account.

(7) Regular employees who are head of a family and mainly responsible for the maintenance of the premises they occupy may secure up to 50% reduction in their bills for service under Residential Rate Schedule RS in lieu of other benefits available to other employees. This option is in the process of elimination and is limited to employees who are presently receiving such reduction and continue to live and work in the area previously served by the former Tariff Electric Pa. P.U.C. No. 196 (Scranton).

(8) Payments which are insufficient to pay for both a balance due for prior use and billing for current use are first applied to the balance due for prior use, except when an unpaid bill is a disputed bill or when a payment plan for an overdue balance is agreed upon.

**E. BUDGET BILLING**

Budget billing is available upon request for service under residential and general service rate applications except for temporary, seasonal, and speculative service. Budget billing may start in any month, for new or existing customers, and may be discontinued upon request at which time any difference between budget billing and billing based on actual use becomes due and payable. In any month when the amount billed for the previous billing period is overdue, budget billing may be terminated; any difference owed the Company is immediately due, and bills thereafter are rendered based on metered use.

When a residential customer elects budget billing, the Company estimates the bills over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in utility bills. The Company shall review accounts at least three times during the optional billing period. At the conclusion of the budget billing year, a resulting reconciliation amount exceeding \$100, but less than \$300, shall be, at the request of the customer, amortized over a 6-month period. Reconciliation amounts exceeding \$300 shall be amortized over at least a 12-month period, at the request of the customer. Shorter amortization periods are permissible at the request of the customer.

When a non-residential customer elects budget billing, the Company bills the customer each month an amount equal to one-twelfth of the estimated annual charges under the rate schedule. The monthly charge is adjusted, as required, so that total payments at the end of the budget billing cycle approximately equal actual charges. When billing based on actual use exceeds charges at the end of the twelfth month, the excess is added to regular billing in equal increments over the succeeding four months with no penalty.

Each month, interest at the rate of one-twelfth of the average of 1-year Treasury Bills for the months of September, October, and November of the previous year is applied to funds in the customer's account which are the result of payments for the billed amount in excess of actual charges for service to date. No interest is charged when there is a negative balance.

(Continued)

**(I)** Indicates Increase    **(D)** Indicates Decrease    **(C)** Indicates Change

**RULE 9 - BILLING AND PAYMENT FOR SERVICE (CONTINUED)**

**(C)**

**F. RETURNED CHECK CHARGE**

If a check received in payment of a customer's account is returned to the Company unpaid by the customer's bank and cannot be redeposited by the Company for payment on the second attempt, the Company will charge the customer \$20.00 for processing the returned check, plus any charges assessed by the bank or other financial institution to the Company.

**(C)**

**G. SMALL CREDIT BALANCES ON INACTIVE ACCOUNTS**

**(C)**

The Company may within a maximum period of six months transfer any customer credit balance less than \$5 from a customer's inactive account to the Company's Operation HELP program instead of refunding the credit amount to the customer. This transfer will occur only after the Company has been unsuccessful in its efforts to transfer the credit balance to an active account of the customer, and only if the customer does not request a refund of the credit balance.

**H. CREDIT AND APPLICATION PROCEDURES**

The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The applicant's or customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit. For low-income applicants, PPL Electric will waive the security deposit if an OnTrack agency verifies their household income.

**RULES FOR ELECTRIC SERVICE  
RULE 10 - DISCONNECTION AND RECONNECTION OF SERVICE**

**A. CONTRACT CANCELLATION**

(1) Contracts are canceled by Company after the expiration of the initial term thereof, upon notification from the customer, as provided in the contract, that service is no longer required at the premises being supplied.

(2) Contracts are canceled by Company before the expiration of the initial term thereof, at the request of the customer, upon the immediate payment at customer's option of either of the following:

- (a) All the remaining obligations under the contract for the initial term.
- (b) The charges for service to date of discontinuance as calculated under the tariff provisions applicable for the period of service actually supplied less the sum of payments already made. This option applies only when the customer completely ceases operations and only when Rule 3, Extension of Service, is not involved. Commercial and industrial customers agree that if operations are resumed before the date when the initial term expires, then the initial obligation of contract is considered as still in force.

**B. TERMINATION**

(1) Termination of service does not constitute cancellation of any contract during the initial term thereof except by Company consent.

(2) The Company may terminate the supply of electric service and remove Company's equipment from customer's premises, upon notice to customer when appropriate, under any of the following conditions:

- (a) Nonpayment of an undisputed delinquent account associated with service provided by the Company.
- (b) The customer's installation, in Company's judgment, has become dangerous or defective or Company has received notice of such a condition, or the customer's equipment or use thereof may impair the equipment of Company or the service to the other customers.
- (c) The Company's property on customer's premises has been interfered with, or evidence is found that the wires, meters, entrance switch or other appurtenances up to and including the point of measurement have been tampered with.
- (d) Energy has been used that has not been registered on the meter.
- (e) A writ of execution is issued against customer, or the premises at which service is supplied is levied upon, or there is an assignment or act of bankruptcy on the part of customer, and Company has not received any written acceptance of responsibility for continuance of service.
- (f) The customer violates any of these rules or any of the terms and conditions of the contract or has made misrepresentations to Company with respect to the use of electric service and customer refuses to correct the situation or execute a contract appropriate for such service.

(Continued)

**RULE 10 - DISCONNECTION AND RECONNECTION OF SERVICE (CONTINUED) (C)**

**B. TERMINATION (Continued)**

- (g) The Company's authorized representatives cannot gain admittance or are refused admittance to the premises for the purpose of reading meters, making repairs, making inspections, or removing Company property, or the customer interferes with Company representatives in the performance of their duties, or the meters or other equipment of the Company are not accessible during reasonable hours.
- (h) The customer neglects or refuses to reimburse Company for repairs to or loss of Company's property used to supply service when such repairs are necessitated, or loss occasioned, by negligence on the part of customer.
- (i) Failure to post a deposit, provide a guarantee, or establish credit associated with service provided by the Company.
- (j) Failure to comply with the material terms of a settlement or amortization agreement.
- (k) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
- (l) Unauthorized use of the utility service delivered on or about the affected dwelling or other service location.

(3) The Company shall not terminate, or refuse to restore service to any premises when any occupant residing therein is certified by a physician, physician's assistant or nurse practitioner to be seriously ill or affected with a medical condition which will be aggravated by a cessation of service or failure to restore service.

(4) Except in emergencies, service to residential customers will not be terminated: on Saturday or Sunday; on a bank holiday or the day preceding a bank holiday; on a day, or a day preceding a day, when the Company's business offices are closed, excluding Saturdays; or on a holiday or the day preceding a holiday observed by the Pennsylvania Public Utility Commission.

(5) The customer may avoid termination under the above conditions by eliminating the cause for termination and fulfilling the appropriate conditions for reconnection under Rule 10C hereof prior to termination.

**C. RECONNECTION**

Whenever a service has been terminated under any of the above provisions, Company will require payment of a \$14 disconnection and reconnection charge and will, before reconnection, require customer to eliminate the cause of disconnection and fulfill any of the following conditions associated with service provided by the Company that are reasonably applicable: (C)

(1) Establish credit, make a security deposit, or provide a written guarantee acceptable to Company.

(2) Correct any unsafe or nonstandard conditions in customer's service entrance facilities.

(3) Make full payment of, or arrange time payments for the charges for energy used but not metered and, all costs of Company's investigation and property damage associated therewith, plus the cost of measures considered necessary by the Company to prevent recurrence. These include but are not limited to: cost of tampering investigations, inspections, billing, and corrective action on unsafe equipment.

(4) Make payment of, or arrange for the payment of, all amounts currently due for services provided by the Company according to a settlement or amortization agreement.

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

**(C)**

**A. DEFINITIONS**

(1) Delivery Service – Service that includes the Distribution component of the applicable rate schedule (including all tariff riders and surcharges).

**(C)**

(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.

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**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.



## RULES FOR ELECTRIC SERVICE RULE 12- DISTRIBUTED ENERGY RESOURCE (DER) INTERCONNECTION SERVICE

### A. PURPOSE

The Distributed Energy Resource Interconnection Service (DERIS) shall be applied to all new DER interconnections with the distribution system effective January 1, 2021, and as further provided in this Rule. DERs shall include inverter-based alternative energy sources and systems, as defined in the Alternative Energy Portfolio Standards Act of 2004 (73 P.S. §§ 1648.1 - 1648.8), and storage resources (batteries).

### B. APPLICATION

- (1) This Rule shall apply to all inverter-based DERs, whose interconnection applications are received on or after January 1, 2021.
- (2) This Rule shall apply to all customers who receive Basic Utility Supply Service under Rate Schedules RS, GS-1, GS-3, and LP-4.

### C. DEVICE REQUIREMENTS

#### (1) Renewable Energy Connection –

The online portal allows customers to apply to interconnect the DER Management Devices with the distribution system. Refer to the REMSI Renewable Energy Connection under PPL Electric's Electric Rates and Rules for additional information.  
<https://www.pplelectric.com/utility/about-us/electric-rates-and-rules.aspx>

#### (2) Smart Inverters —

From January 1, 2021, through December 31, 2021, all new inverters connected to the distribution system must meet: (1) UL 1741 Supplement A as amended or supplemented and (2) the communication requirements under IEEE 1547-2018 as tested by or on behalf of the Company. Beginning January 1, 2022, PPL Electric will transition to requiring new inverters that connect to the distribution system to comply with IEEE 1547-2018 and to be certified to UL 1741 Supplement B. During the transition period of January 1, 2022, through December 31, 2022, each new inverter connecting to PPL Electric's distribution system must either: (1) meet UL 1741 Supplement A (as amended or supplemented) and the communication requirements under IEEE 1547-2018 (as tested by or on behalf of the Company); or (2) comply with IEEE 1547-2018 and be certified to UL 1741 Supplement B. Beginning January 1, 2023, new inverters connecting to the distribution system must comply with IEEE 1547-2018 and must be certified to UL 1741 Supplement B. The list of smart inverters that meet these requirements will be made publicly available and regularly updated on the Company's REMSI website.

(C)

(Continued)

(C) Indicates Change

Issued: January 13, 2022

Effective: January 14, 2022

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**RULE 12 - DISTRIBUTED ENERGY RESOURCE (DER) INTERCONNECTION  
SERVICE (Continued)**

**C. DEVICE REQUIREMENTS {Continued}**

**(2) Smart Inverters (Continued) -**

Notwithstanding the above, if a customer installs a new inverter on an existing DER installation or upgrades an existing DER installation after January 1, 2021, the customer may install a replacement inverter of a similar make and model as the existing inverter, provided that any such inverter meets the Commission's applicable standards and requirements set forth in its regulations.

**(3) DER Management Device –**

All DERs whether Customer-Owned or Third Party-Owned that are applying to interconnect with PPL Electric's distribution system must install smart inverters as defined in Rule 12(C)(2). Additionally, for the term of the pilot program described in Rule 12(D), a DER Management Device owned, installed, and maintained by the Company will be connected to the data port of the smart inverter for any new DER installation. The DER Management Device may use the Meter Network radios to connect wirelessly to PPL Electric's RF mesh network. These devices shall be installed and maintained in accordance with Company's "Rules for Electric Meter and Service Installations (REMSI)". Refer to the REMSI DER Management Device section as well as the Commission-approved Settlement and the Pilot Implementation Plan filed at Docket No. P-2019-3010128 for additional information.

**D. PILOT PROGRAM**

Beginning January 1, 2021, the Company will conduct a pilot program to test and evaluate: (1) the costs and benefits to the distribution system operation and design of monitoring DERs through the DER Management Devices as compared to maintaining distribution system status visibility through other means (e.g. automated meter reading equipment, ADMS systems, modeling) and (2) the costs and benefits to the distribution system operation of active management of DERs through DER management devices as compared to the benefits available through the use of inverter autonomous grid support functions.

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**RULE 12 - DISTRIBUTED ENERGY RESOURCE (DER) INTERCONNECTION  
SERVICE (Continued)**

**D. PILOT PROGRAM (Continued)**

Two control groups for the pilot program will be established. The first group shall include any DERs connected during the pilot program to the first 75 circuits for which interconnection applications are received by the Company on or after January 1, 2021. The second group shall include the first 1,000 new DERs installed in the Company's service territory on or after January 1, 2021. DERs connected during the pilot program in the first group shall count toward the 1,000 DERs in the second group. After the second group comprises 1,000 DERs, DERs interconnected to the first 75 circuits will still be added to the first group.

For both control groups, DER inverters will operate under autonomous settings only. While the Company may monitor DER operations in the control group by collecting data through the DER Management Devices, the Company shall not make operational decisions regarding the distribution system based on that information. For DERs that are not part of the control groups, the Company shall be permitted to actively manage the grid support functions of DER inverters using the DER Management Devices and the Company's Distributed Energy Resources Management System (DERMS) and may make operational decisions based on DER operational information obtained through the DER Management Devices.

The pilot program will begin January 1, 2021 and will end three years after the control groups are established. Refer to the Commission-approved Settlement and the Pilot Implementation Plan filed at Docket No. P-2019-3010128 for more information on the details and design of the pilot program.

**E. ANNUAL REPORTS**

Pursuant to the Commission-approved Settlement and the Pilot Implementation Plan filed at Docket No. P-2019-3010128, the Company shall file annual reports with the Commission providing detailed quantitative information germane to evaluation of the results of the pilot program. The reports shall be publicly available and shall not contain any identifying customer information. The annual reports shall be filed within 30 days following the end of each program year.

**RIDER MATRIX (C)**

Rate Schedule	EEC	USR	NM	MBC	ACR	MFC	SMR 1	SMR 2	CER	DSIC	SDER	TCJA
RS		X	X	X	X	X	X	X	X	X	X	X
RTS (R)		X		X	X	X	X	X	X	X	X	X
GS-1			X	X	X	X	X	X	X	X	X	X
GS-3	X		X	X	X	X	X	X	X	X	X	X
LP-4	X		X	X	X		X	X	X	X	X	X
LP-5	X			X	X		X	X	X		X	X
LPEP	X			X	X		X	X	X		X	X
BL				X	X	X	X	X	X	X	X	X
SA				X	X	X	X		X	X	X	X
SM (R)				X	X	X	X		X	X	X	X
SHS				X	X	X	X		X	X	X	X
SLE				X	X	X	X		X	X	X	X
SE				X	X	X	X		X	X	X	X
TS (R)				X	X	X	X		X	X	X	X
GH-2 (R)				X	X	X	X	X	X	X	X	X
Rule 6/6A				X	X	X	X	X	X	X	X	X

Rider Titles

EEC = Emergency Energy Conservation Rider  
 USR = Universal Service Rider  
 NM = Net Metering for Renewable Customer-Generators  
 MBC = Metering and Billing Credit Rider  
 ACR = Act 129 Compliance Riders  
 MFC = Merchant Function Charge Rider  
 SMR 1 = Smart Meter Rider – Phase 1  
 SMR 2 = Smart Meter Rider – Phase 2  
 CER = Competitive Enhancement Rider  
 DSIC = Distribution System Improvement Charge  
 SDER = Storm Damage Expense Rider  
 TCJA = Tax Cuts and Jobs Act Temporary Surcharge

## STATE TAX ADJUSTMENT SURCHARGE

### STATE TAX ADJUSTMENT SURCHARGE

(C)

In addition to the charges and credits provided for in this tariff, a two-part surcharge will be charged for all service rendered on and after the effective date of this provision.

- Part 1 will include Capital Stock Tax, Corporate Income Tax, Public Utility Realty Tax, and Gross Receipts Tax, which will be applied to the Distribution component of the bill. Effective January 1, 2025, this part of the surcharge will be a negative 0.280%. (D)
- Part 2 will include the Gross Receipts Tax, which will be applied to all other components of the bill. Effective January 1, 2025, this part of the surcharge will be a positive 0.001%. (C)

Each part of the State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission in its regulations at 52 Pa. Code §69.51, et seq. and at 52 Pa. Code §54.91, et seq.:

- on December 17, 2024, and each year thereafter until the surcharge is rolled into base rates, and (C)
- whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in its state tax liability arising under 66 Pa. C. S. §§2806 (g), 2809(c) or 2810 (c).

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq. If the recomputed surcharge is less than the one in effect, the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq.

### TAX INDEMNIFICATION

If the Company becomes liable, under Section 2806(g) or 2809(c) of the Public Utility Code, 66 Pa. C.S. §§ 2806(g) and 2809(c), for any Pennsylvania state taxes not paid by an electric generation supplier, the non-tax-compliant electric generation supplier shall indemnify the Company for the full amount of additional state tax liability imposed upon it by the Pennsylvania Department of Revenue due to the failure of the electric generation supplier to pay, or remit to the Commonwealth, the tax imposed on the electric generation supplier's gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

**EMERGENCY ENERGY CONSERVATION RIDER (5-22-81)  
MODIFICATION OF RATE SCHEDULE APPLICATION  
PURSUANT TO TARIFF RULE 4H**

**PURPOSE**

This rider is applicable in conjunction with Tariff Rule 4H, Emergency Energy Conservation. It provides for deviation from and modification to the charges and practices otherwise applicable to certain customers as a result of compliance with or non-compliance with energy conservation curtailment levels ordered by an appropriate governmental authority under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation.

**APPLICABILITY**

Applicable to individual electric customer accounts served under this tariff with recorded use of 10 Million KWH's or higher, in a recent period of 12 months or less prior to the emergency energy conservation condition. Customers designated by the procedures of Rule 4H or by Pennsylvania Public Utility Commission, will be exempt from the provisions of this rider.

**PROVISIONS**

**Base Period Energy Use**

The base energy use for a weekly period shall be determined by the Company for each applicable electric customer account based upon a consideration of the customer's actual past or current electric consumption and the customer's existing operations.

**Curtailment Energy Use Level Target**

The Curtailment Energy Use Level Target for each applicable customer shall be that percentage of base period energy use ordered pursuant to the emergency energy conservation procedures provided by Tariff Rule 4H or as a result of the order of an appropriate governmental authority.

**Current Energy Use**

Current period use will be monitored on a weekly basis commencing one week after the emergency is declared.

**Compliance**

When the energy consumption in any weekly period during the period of the emergency energy conservation condition is equal to or less than the curtailment energy use level target, the customer will be deemed to have complied.

If the curtailment energy use level target is not met, the customer will be deemed to be in non-compliance. In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

(Continued)

EMERGENCY ENERGY CONSERVATION RIDER (5-22-81)  
MODIFICATION OF RATE SCHEDULE APPLICATION  
PURSUANT TO TARIFF RULE 4H (Continued)

**BILLING**

During the emergency, billing for those customers deemed to be in compliance will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and any demands which otherwise might have been imposed, and will be billed instead on the basis of current consumption and demand whenever the normal calculation method would produce a greater bill.

These customers will be individually notified of this special billing provision prior to the implementation of the emergency energy conservation procedure.

**UNIVERSAL SERVICE RIDER**

**(C)**

The Universal Service Rider (USR) charge, shall be applied to each kilowatt-hour supplied to customers, who take distribution service under Rate Schedules RS and RTS(R) of this tariff. The USR charge provides for recovery of the costs, except internal administrative costs (i.e., employee wages and benefits), associated with universal service programs provided by the Company to residential customers. The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rider.

Beginning January 1, 2025 and continuing through December 31, 2025, the USR charge will be \$0.01111/kwh. For subsequent years, the USR charge shall be filed with the Pennsylvania Public Utility Commission (Commission) by December 21 of the previous year. The USR 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 USR charge, if left unchanged, would result in a material over or under-collection of all USR 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 USR charge to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission. **(C)** **(I)**

The Company will file with the Pennsylvania Public Utility Commission by December 21 of each year an annual reconciliation of the USR revenue recovery 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 USR 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.

The Company shall file a report of collections under the USR within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission.

Application of the USR 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 USR charge and the costs included therein.

A description of the Company's Universal Service and Energy Conservation Plan for the period 2017 through 2019 period is attached to this tariff as Appendix A.



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**NET METERING FOR RENEWABLE CUSTOMER-GENERATORS**

**(C)**

**PURPOSE**

This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned, generation using a net metering system.

**APPLICABILITY**

**(C)**

This Rider applies to renewable customer-generators served under Rate Schedules RS, GS-1, GS-3, and LP-4 who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources, pursuant to the Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1 – 1648.8 ("AEPS Act") or Commission regulations, and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity.

A renewable customer-generator is a non-utility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts, if installed at a residential service (RS), or not larger than 3,000 kilowatts at other customer service locations (Rate Schedules GS-1, GS-3 and LP-4), except for Customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the Company during grid emergencies, as defined by the regional transmission organization, or where a microgrid is in place for the purpose of maintaining critical infrastructure, such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities, provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources, as defined by the AEPS Act and the Commission's regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations, pursuant to the AEPS Act. This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

Service under this Rider is available upon request to renewable customer-generators on a first-come, first-served basis as long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

(Continued)

**NET METERING FOR RENEWABLE CUSTOMER-GENERATORS (Continued)**

**(C)**

**METERING PROVISIONS**

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, GS-1, GS-3, or LP-4.

1. A customer-generator facility used for net metering shall be equipped with a single bi-directional meter that can measure and record the flow of electricity in both directions at the same rate. A dual-meter arrangement may be substituted for a single bi-directional meter at the Company's expense.
2. If the customer-generator's existing electric metering equipment does not meet the requirements under Option (1) above, the Company shall install new metering equipment for the customer-generator at the Company's expense. Any subsequent metering equipment change necessitated by the customer-generator shall be paid for by the customer-generator. The customer-generator has the option of utilizing a qualified meter service provider to install metering equipment for the measurement of generation at the customer-generator's expense.

Additional metering equipment for the purpose of qualifying alternative energy credits owned by the customer-generator shall be paid for by the customer-generator. The Company shall take title to the alternative energy credits produced by a customer-generator where the customer-generator has expressly rejected title to the credits. In the event that the Company takes title to the alternative energy credits, the Company will pay for and install the necessary metering equipment to qualify the alternative energy credits. The Company shall, prior to taking title to any alternative energy credits, fully inform the customer-generator of the potential value of those credits and options available to the customer-generator for their disposition.

3. Meter aggregation on properties owned, or leased and operated, by a customer-generator shall be allowed for purposes of net metering. Meter aggregation shall be limited to meters located on properties within two (2) miles of the boundaries of the customer-generator's property. Meter aggregation shall only be available for properties located within the Company's service territory. Physical meter aggregation shall be at the customer-generator's expense. The Company shall provide the necessary equipment to complete physical aggregation. If the customer-generator requests virtual meter aggregation, it shall be provided by the Company at the customer-generator's expense. The customer-generator shall be responsible only for any incremental expense incurred by the Company to process the customer-generator's account on a virtual meter aggregation basis.

(Continued)

**NET METERING FOR RENEWABLE CUSTOMER-GENERATORS (Continued)**

**BILLING PROVISIONS:**

The following billing provisions apply to default service customer-generators in conjunction with service under applicable Rate Schedules RS, GS-1, GS-3, or LP-4. **(C)**

1. The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer by the Company during the billing period at the full retail rate consistent with Commission regulations. If a customer-generator supplies more electricity to the Company than the Company delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours will continue to accumulate until the end of the PJM planning period ending May 31 of each year. On an annual basis consistent with the PJM planning period, the Company will compensate the customer-generator for kilowatt-hours received from the customer-generator in excess of the kilowatt hours delivered by Company to the customer-generator during the preceding year at the Company's Rate Schedule Price To Compare consistent with Commission regulations. Compensation will also occur if the customer changes rate schedules or shopping status. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
2. If the Company supplies more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the appropriate rate schedule shall be applied to the net kilowatt-hours of electricity that the Company supplied. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
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 Company's distribution system, then through the remaining meters (for the customer-generator's account) equally at each meter's designated rate under the applicable Rate Schedule. Virtual meter aggregation is the combination of readings and billing for all meters, regardless of rate class, installed on properties owned, or leased and operated, by a customer-generator by use of the Company's billing process, rather than through physical rewiring of the customer-generator's owned or leased property for a physical, single-point of contact. The customer-generators are responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

(Continued)

**NET METERING FOR RENEWABLE CUSTOMER-GENERATORS (Continued) (C)**

**NET METERING PROVISIONS FOR SHOPPING CUSTOMERS**

1. Customer-generators may take net metering services from EGSs that offer such services.
2. If a net-metering customer takes service from an EGS, the Company will credit the customer for the distribution charge for each kilowatt hour produced by a Tier I or Tier II resource installed on the customer-generator's side of the electric revenue meter, up to the total amount of kilowatt-hours delivered to the customer by the Company during the billing period. If a customer-generator supplies more electricity to the electric distribution system than the EDC delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the Company's distribution rates. Any excess kilowatt hours at the end of the PJM planning period will not carry over to the next year for distribution purposes. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule. (C)
3. If the Company delivers more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the applicable rate schedule shall be applied to the net kilowatt-hours of electricity that the Company delivered. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
4. Pursuant to Commission regulations, the credit or compensation terms for excess electricity produced by customer-generators who are customers of EGSs shall be stated in the service agreement between the customer-generator and the EGS.
5. If a customer-generator switches electricity suppliers, the Company shall treat the end of the service period as if it were the end of the year.

**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.

**MINIMUM CHARGE**

The Minimum Charges under Rate Schedules RS, GS-1, GS-3, and LP-4 apply for installations under this Rider.

**RIDERS**

Bills rendered by the Company under this Rider shall be subject to the charges stated in any other applicable Rider.

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**NET METERING FOR RENEWABLE CUSTOMER-GENERATORS (Continued)**

The following billing provisions apply to Time-of-Use customer-generators in conjunction with service under applicable Rate Schedules RS, GS-1, GS-3 (<100kW), or LP-4 (<100kW). **(C)**

1. The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer by the Company during the billing period at the full retail rate consistent with Commission regulations. Excess generation supplied by a customer-generator will be recorded on an hourly basis, maintaining an active record of kilowatt hours produced and consumed at the customer-generators premise. If a customer-generator supplies more electricity to the Company than the Company delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the full retail rate. If, in a subsequent billing period, a customer consumes more electricity than produced, kilowatt hours will be pulled from the customers bank on a first in first out basis. Any excess kilowatt hours will continue to accumulate until the end of the PJM planning period ending May 31 of each year. On an annual basis consistent with the PJM planning period, the Company will compensate the customer-generator for all remaining kilowatt-hours in the customer's bank, at the generation portion of the time-of-use rate when the excess generation was put into the bank. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
2. If the Company supplies more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the appropriate rate schedule shall be applied to the net kilowatt-hours of electricity that the Company supplied. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
3. Customer-generators involved in virtual metering programs are not eligible for the TOU Program.

(Continued)

**GREEN POWER OPTION**

**(C)**

**AVAILABILITY**

Subject to the limitations described below, service under this voluntary option is available to all customers who receive Basic Utility Supply Service under Rate Schedules RS, RTS(R), GS-1, GS-3, BL, SA, SM(R), SHS, SLE, SE, TS(R), and GH-2(R). Customers who elect to purchase Green Power Credits under this option will be subject to the charges described below.

**(C)**

**DEFINITIONS**

Green Power – Electric energy generated from renewable resources that are located within PJM Interconnection, LLC (PJM) and qualify as Alternative Energy Sources under the Alternative Energy Portfolio Standards (AEPS) Act. For purposes of the Green Power Option, Customers will not be purchasing the capacity and energy generated by the Alternative Energy Sources, but instead, will be purchasing Green Power Credits which will be retired on their behalf.

Green Power Credits – Alternative Energy Credits, as that term is defined in the AEPS Act, generated by wind and hydroelectric facilities that are located within PJM and qualify as Alternative Energy Sources.

Green Power Block – The number of Green Power Credits that are produced by the generation of 100 kWh of Green Power.

**APPLICATION**

Customers may elect to purchase any whole number of Green Power Blocks per month, at the rate set forth below.

The Customer may initiate participation, change the number of Green Power Blocks selected or may terminate participation in the Green Power Option effective as of the Customer's next scheduled meter reading date, provided the Company has received at least sixteen (16) days' prior notice.

If a Customer fails to pay the Monthly Green Power Charges for two consecutive billing periods, that Customer's participation in the Green Power Option will be terminated and any Green Power Blocks that the Customer selected, but did not pay for, will be returned to the Company.

If the Customer pays for Green Power Blocks, and the Company is unable to provide those blocks, the Company will refund the Customer's payment in full in the next billing period.

**RATES AND BILLING**

The charge for each Green Power Block is \$2.50 per month.

The Green Power Charge is in addition to all other charges billed under the Customer's applicable Rate Schedule. Customers will be billed for the fixed number of Green Power Blocks that they select regardless of actual energy use during the billing period.

The Green Power Charge will be set out separately on the Customer's bill.

(Continued)

**(C)** Indicates Change



## GREEN POWER OPTION (Continued)

### TERM AND CONDITIONS

The Green Power Option is offered on a month-to-month basis. The Company reserves the right to withdraw this Option upon thirty (30) days' written notice to the Customer.

The total number of Green Power Blocks available for purchase by Customers will be limited to the lesser of 3.3 million Green Power Blocks or the number of Green Power Blocks available to the Company.

The Green Power Option will terminate no later than May 31, 2013.

**METERING AND BILLING CREDIT RIDER**

**(C)**

**PURPOSE**

This rider provides for Distribution Charge credits when an Electric Generation Supplier licensed by the Commission provides metering, meter reading, and/or billing and collection service to a customer in lieu of the Company.

**APPLICATION**

This rider applies to the Distribution Charges included in each Rate Schedule included in this Tariff.

**NET MONTHLY DISTRIBUTION CHARGE CREDIT**

**(C)**

<u>Rate Schedule</u>	<u>Metering</u>	<u>Meter Reading</u>	<u>Billing and Collection</u>
RS	\$ 1.97 <b>(I)</b>	\$ 0.17 <b>(I)</b>	\$ 2.34 <b>(D)</b>
Separate Water Heating Service	1.97 <b>(I)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
RTS (R)	1.97 <b>(I)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
GS-1	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Space Conditioning and Water Heating	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Volunteer Fire Co./Sr. Citizen Centers	1.97 <b>(I)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
GS-3	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Space Conditioning and Water Heating	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Volunteer Fire Co./Sr. Citizen Centers	1.97 <b>(I)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
LP-4	55.57 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Space Conditioning and Water Heating	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
LP-5	272.54 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
LPEP	272.54 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
BL	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
SA	—	—	2.34 <b>(D)</b>
SM(R)	—	—	2.34 <b>(D)</b>
SHS	—	—	2.34 <b>(D)</b>
SLE	—	—	2.34 <b>(D)</b>
SE	—	—	2.34 <b>(D)</b>
TS(R)	—	—	2.34 <b>(D)</b>
GH-2(R)	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Standby Service - 480 Volts or Less	4.08 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Standby Service - 12,470 Volts	55.57 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>
Standby Service - 69,000 Volts or Higher	272.54 <b>(D)</b>	0.17 <b>(I)</b>	2.34 <b>(D)</b>

**TRANSMISSION SERVICE CHARGE**

**(C)**

The Transmission Service Charge (TSC) shall be applied to charges for electricity supplied to customers who receive Basic Utility Supply Service ("BUSS"), as defined in Rule 1B(1), from the Company under this Tariff. **(C)**

The TSC shall be computed separately for each of the following four customer classes:

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial: Consisting of Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R) (Small C&I),
- (3) Large Commercial and Industrial – Primary: Consisting of Rate Schedule LP-4 (Large C&I – Primary), and
- (4) Large Commercial and Industrial – Transmission: Consisting of Rate Schedules LP-5, LPEP and L5S (Large C&I – Transmission).

The TSC, computed using the formulae described below, shall be applied to the monthly bill of each customer receiving BUSS service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year.

The TSC for the Residential class and the Small C&I class shall be computed using the following formula:

$$TSC = [TCe/S + TCd/S - E/S] \times 1/(1-T)$$

The TSC for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formulae:

$$TSC = TSCd + TSCe$$

The demand – related portion of the TSC (TSCd) for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formula:

$$TSCd = [TCd/D] \times 1/(1-T)$$

The other portion of the TSC (TSCe) for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formula:

$$TSCe = [TCe/S - E/S] \times 1/(1-T)$$

Where:

**TCd =** The demand-related (kW) portion of the charges that the Company incurs to provide transmission service (including ancillary service charges and all non-market-based transmission service charges) to customers who receive BUSS service from the Company. These charges are all Federal Energy Regulatory Commission (FERC)-approved charges imposed by PJM Interconnection, LLC (PJM) on a kW basis. These charges are allocated to each customer class based upon the contribution of that class to the 5 coincident peaks used by PJM to establish such demand – related charges.

**TCe =** All other charges not recovered through TCd that the Company incurs to provide transmission service (including ancillary service charges and all non-market-based transmission service charges) to customers who receive BUSS service from the Company. These charges are all FERC-approved charges imposed by PJM on any basis other than a kW basis. These charges are allocated to each customer class based upon the projected kWh usage of that class, including estimated distribution system losses during the computation year.

(Continued)

**TRANSMISSION SERVICE CHARGE (CONTINUED)**

**(C)**

- D = For the Large C&I – Primary customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. For the Large C&I – Transmission customer class, the total of the monthly contributions of all customers in the class to the Company's 5 coincident peaks used by PJM to establish such demand – related charges.
- E = Net over or undercollection of the TCe and TCd charges associated with the acquisition of transmission service as of the end of the 12-month period ending September 30 immediately preceding the computation year, including applicable interest. Reconciliation of the TSC will be conducted separately for each of the four customer classes. Beginning with the reconciliation period ending April 30, 2013, the percentage of demand-related costs assigned to each customer class will change monthly to reflect the class' actual share of default service peak load responsibility in that month. 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, not to exceed the legal rate of interest, in effect on the last day of the month the over or undercollection occurred, effective April 1, 2016. **(C)**
- S = The Company's total retail KWH sales to customers in each customer class who receive BUSS under this tariff (including distribution losses) projected for the computation year.
- T= The total Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within this tariff) in effect during the billing period, expressed in decimal form.

The TSC shall be filed with the Pennsylvania Public Utility Commission (Commission) by November 1 of each year. The TSC rate shall become effective for transmission service acquired on behalf of BUSS customers and rendered to those customers on or after the following December 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 customer class's TSC, if left unchanged, would result in a material over or undercollection of all transmission service charges incurred or expected to be incurred, the Company may file with the Commission for an interim revision of the TSC to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

By November 1 of each year the company will file with the Commission the experienced net over or under collection as described above. The reconciliation will include a calculation of the application period over or under recoveries of transmission service costs. The reconciliation of the TSC will be the difference between actual transmission service costs incurred and actual revenue billed for the application period. The reconciliation filed November 1, 2025 will be for a 6-month period to adjust to the new filing period.

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

Application of the TSC shall be subject to 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 TSC and the costs included therein.

(Continued)

**TRANSMISSION SERVICE CHARGE (CONTINUED)**

**TRANSMISSION SERVICE CHARGE**

**(C)**

Charges under the TSC for the period June 1, 2025 through November 30, 2025 as set forth in the applicable Rate Schedules.

<b>Customer Class</b>	<b>Large C&amp;I - Transmission</b>	<b>Large C&amp;I - Primary</b>	<b>Small C&amp;I</b>	<b>Residential</b>
Rate Schedule / Charge	L5S, LP-5, and LPEP	LP-4	GS-1, GS-3, BL, and GH-2 (R)	RS and RTS (R)
Energy Rate (\$/kWh)			0.03158 <b>(I)</b>	0.03324 <b>(D)</b>
Demand Rate (\$/kW)	28.189 <b>(D)</b>	21.350 <b>(I)</b>		

<b>Small C&amp;I – Street Lights</b>										
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	2.072 \$/Lamp	3,350	1.551	5,800	0.941	2,600	0.407	0.03158	0.02307
			6,650	2.422	9,500	1.348	3,300	0.593		
			10,500	3.385	16,000	1.983	3,800	0.6		
LED 4,300	0.487 \$/Fixture		20,000	5.362	25,500	3.578	4,900	0.820		
			34,000	9.142	50,000	5.615	7,500	1.046		
			51,000	12.635			15,000	1.951		
							20,000	3.026		

**(D)** Indicates Decrease    **(I)** Indicates Increase    **(C)** Indicates Change

## 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.

(C)

### 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<sub>fp</sub> = 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, 2025, shall be amortized ratably over the 48-month period June 1, 2025, through May 31, 2029, and the 6-month amortization amount shall be included in the computation of the GSC-1.

(C)

(Continued)

**GENERATION SUPPLY CHARGE – 1 (Continued)**

**(C)**

**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<sub>fp</sub>** = 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 June 1, 2025 through November 30, 2025.

**(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) \$0.08956/KWH (I)	RS and RTS (R) \$0.09166/KWH (I)

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	5.875 \$/Lamp	3,350	4.397	5,800	2.669	2,600	1.155	0.08956	0.06543
			6,650	6.869	9,500	3.824	3,300	1.683		
			10,500	9.601	16,000	5.624	3,800	1.701		
	LED 4,300	1.380 \$/Fixture	20,000	15.207	25,500	10.147	4,900	2.325		
			34,000	25.928	50,000	15.924	7,500	2.967		
			51,000	35.833			15,000	5.534		
							20,000	8.583		

(Continued)

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.

(Continued)



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 June 1, 2025 through November 30, 2025. 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	7.938 cts per kWh	13.333 cts per kWh <b>(I)</b>
Off Peak Hours	6.471 cts per kWh	8.243 cts per kWh <b>(I)</b>

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	8.131 cts per kWh	12.836 cts per kWh <b>(I)</b>
Off Peak Hours	6.744 cts per kWh	8.098 cts per kWh <b>(I)</b>

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:

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

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

(Continued)

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<sub>GEN</sub> = The total generation component for the respective customer classes' fixed price default service rate.
- GS<sub>OFF</sub> = The total Off-Peak generation component for the respective customer classes' fixed price default service rate.
- GS<sub>IND</sub> = 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<sub>M</sub> = 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.

(Continued)

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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**GENERATION SUPPLY CHARGE-2**

**(C)**

The Generation Supply Charge-2 (GSC-2) shall be charged to customers in the Large Commercial & Industrial Customer Class who take Basic Utility Supply Service ("BUSS") from the Company under Rate Schedules GS-3, LP-4, LP-5, LPEP, and standby service for the foregoing rate schedules. The GSC-2 will not apply to those Rate Schedule LP-4 customers who have a peak demand of less than 100 kW, but the GSC-2 will apply to those Rate Schedule GS-3 customers who have a peak demand of 100 kW or greater. This peak demand will be based on the customer's ICAP peak load contribution assigned for the most recent PJM Planning Year. The GSC-2 shall have one rate option provision: Hourly Default Service Option.

**(C)**

**PURPOSE**

The Hourly Default Service Option provides default electric generation service to eligible customers in the Large Commercial & Industrial Customer Class who have not selected an alternative generation supplier.

**PRICING PROVISIONS**

All of the following charges apply to this rate option.

- GSC-2 Energy Charge per KWH: The product of actual real-time Locational Marginal Prices at the PPL Residual Aggregate Node as reported by PJM Interconnection, LLC. (PJM) for each hour of the billing month expressed in cents per KWH times the customer's actual energy use, adjusted for losses, during each hour of the billing month.
- GSC-2 Capacity Charge: The product of the PJM Reliability Pricing Model ("RPM") price of capacity expressed in dollars per KW-Day, as reported by PJM for the PL Zone, for the applicable billing month times the customer's fixed peak load capacity obligation, as determined by the Company in accordance with the applicable PJM Agreements, times the number of days in the billing month.
- GSC-2 Administrative Charge per KWH: The product of all administrative charges (both the supplier's charges and PPL Electric's charges) expressed in cents per KWH times the customer's actual energy use, adjusted for losses, during each hour of the billing month. The supplier's charges shall be the supplier's winning bid in PPL Electric's most recent solicitation for supply of default service to customers in the Large C&I Customer Class. The supplier's charges may include, but are not limited to, the costs of transmission service (other than non-market-based transmission service charges), ancillary services, congestion management costs, and such other services or products that are required to supply hourly default service to customers in the Large C&I Customer Class, including Alternative Energy Credits. PPL Electric's charges shall be a monthly pro rata amortization of the actual costs incurred by the Company to acquire generation supply from any source for the Large C&I Customer Class during the most recent 12-month period ended May 31 (as determined by amortizing such costs ratably over a 12-month period) plus the monthly amortization of the cost of administering that program prior to June 1, 2025 (as determined by amortizing such costs ratably over the 48-month period June 1, 2025 through May 31, 2029). In addition, the initial computation period will include any remaining over or undercollection balance related to application of the GSC-2 for the Large Commercial and Industrial Customer Class.

**(C)**

(Continued)

**GENERATION SUPPLY CHARGE-2 (CONTINUED)**

The following rate components of the GSC-2 shall be filed with the Pennsylvania Public Utility Commission (Commission) thirty (30) days prior to each application year (June 1 through May 31). The rate components subject to this filing requirement are: (1) the supplier's charges to be included in the GSC-2 Administrative Charge and (2) PPL Electric's charges to be included in the GSC-2 Administrative Charge. The reconciliation of the GSC-2 will be the difference between the actual administration costs incurred and the applicable billed revenue for the computation period. These rate components, as well as any net over or undercollection of these rate components as of the end of the 12-month period ending March 31 immediately preceding the computation period and set forth as a separate E-factor reconciliation component, shall become effective for BUSS rendered on and after the following June 1, and shall remain in effect for a period of one year.

By May 1 of each year, the Company will file with the Commission the experienced net over or undercollection of the GSC-2 associated with the above-identified costs that are incurred to provide generation supply for participating BUSS customers as of the end of the calendar month ending two months prior to the computation period, including 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 undercollections shall be calculated at the prime rate of interest. Interest on refunds of overcollections shall be calculated at the prime rate of interest, not to exceed the legal rate of interest. (C)

The Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within the tariff) in effect during the billing month shall apply to charges under the GSC-2.

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

Application of the GSC-2 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-2 and the costs included therein.

**ACT 129 COMPLIANCE RIDER – PHASE 1**

**(C)**

The Phase 1 Act 129 Compliance Rider (ACR 1) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff. The Rider will be implemented by applying a charge to bills of customers beginning January 1, 2010.

The ACR 1 shall be computed separately for each of the following three customer classes:

**(C)**

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting of Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The ACR 1 will be computed for each customer receiving distribution service from the Company using the formulae described below. For residential customers, the ACR 1 charge shall be included in the distribution charges of the monthly bill. For all other customers, the ACR charge shall be listed as a separate charge on the monthly bill. All charges shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the residential rate schedules in this tariff have been adjusted to reflect application of the currently effective ACR 1.

The ACR 1 for the Residential class and the Small C&I class shall be computed using the following formula:

$$\text{ACR 1} = [\text{ACc/S} - \text{E/S}] \times 1 / (1 - \text{T})$$

The ACR 1 for the Large C&I class shall be computed using the following formula:

$$\text{ACR 1} = [\text{ACc/D} - \text{E/D}] \times 1 / (1 - \text{T})$$

Where:

ACc = A levelized annual budget of all costs required for the Company to implement its Commission-approved Phase 1 Energy Efficiency and Conservation (EE&C) Plan during a compliance year. A compliance year is the 12-month period beginning June 1 of each calendar year and ending May 31 of the following calendar year, except the first compliance year which begins on January 1, 2010 and ends on May 31, 2010. The levelized annual budget amount is the sum of all direct and indirect costs (including all deferred design and development costs, general administrative costs, and applicable statewide evaluator costs) required to implement the Company's EE&C Plan divided by the number of months during which the Company's EE&C Plan will be in effect multiplied by the number of months in the compliance year.

The costs of each EE&C program available to only one customer class will be directly assigned to that customer class. Costs of EE&C programs which cannot be directly assigned to one customer class will be allocated to the customer classes benefiting from those programs using an allocation factor determined by dividing the EE&C costs directly assigned to each customer class by the total of the Company's EE&C Plan costs directly assigned to all customer classes.

(Continued)

**(C)** Indicates Change



**ACT 129 COMPLIANCE RIDER – PHASE 1 (CONTINUED)****(C)**

D = For the Large C&I customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. The peak demand will be based on the customer's peak load contribution to the PJM peak load during the prior year of the PJM Planning Year.

E = Net over or undercollection of the ACR 1 charges as of the end of the 12-month period (except in the first reporting year, the 4-month period) ending April 30 immediately preceding the next compliance year. Reconciliation of the ACR 1 will be conducted separately for each of the three customer classes based upon the annual EE&C budget for each customer class. No interest shall be computed monthly on over or undercollections. The reconciliation of ACR 1 revenues and expenses shall be adjusted during the 2013-2014 ACR 1 compliance year to reflect actual data for the month of May 2013, as well as any expenses incurred prior to May 31, 2013, but paid after that date. **(C)**

S = The Company's total billed KWH sales in each customer class who receives distribution service under this tariff (including distribution losses), projected for the computation year.

T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The ACR 1 shall be filed with the Pennsylvania Public Utility Commission (Commission) by May 1 of each year. The ACR 1 charge shall become effective for distribution service provided to all customers on or after the following June 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 customer class's ACR 1, if left unchanged, would result in a material over or undercollection of Phase 1 Act 129 Compliance costs incurred or expected to be incurred during the compliance year, the Company may file with the Commission for an interim revision of the ACR 1 to become effective ten (10) days from the date of filing, unless otherwise ordered by the Commission. **(C)**

At the conclusion of the Phase 1 EE&C Plan on May 31, 2013, collections under the ACR 1 for each customer class will be reconciled to the total cost of the EE&C Plan allowed by the Commission for that customer class. Overcollections or undercollections will be reflected in the E factor, defined above, and will be refunded or recovered through application of the ACR 1 E factor through May 31, 2014. If any over/under collection balance remains after May 31, 2014, the collection period may be extended beyond May 31, 2014 to ensure the balance is eliminated. **(C)**

Minimum bills shall not be reduced by reason of the ACR 1, nor shall charges hereunder be a part of the monthly rate schedule minimum. The ACR 1 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider. Charges under ACR 1 and ACR 2 will be combined for billing purposes only.

The Company shall file a report of collections under the ACR 1 within thirty (30) days following the conclusion of each compliance-year quarter. These reports will be in a form prescribed by the Commission. The third-quarter report shall be accompanied by a preliminary forecast of the ACR 1 for the next compliance year. **(C)**

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

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 1 (CONTINUED)**

**ACT 129 COMPLIANCE RIDER – PHASE 1 CHARGE**

**(C)**

Charges under the ACR 1 for the period January 1, 2016 through May 31, 2016 as set forth in the applicable Rate Schedules.

Customer Class	Large C&I - Transmission	Large C&I - Primary	Small C&I	Residential
Rate Schedule / Charge	L5S, LP-5, and LPEP	LP-4	GS-1, GS-3, BL, and GH-2 (R)	RS and RTS (R)
	\$0.000/KW	\$0.000/KW	\$0.00000/KWH	\$0.00000/KWH

Small C&I – Street Lights										
Rate Schedule/ Charge	SA		SM (R)		SHS		SLE		SE	TS (R)
	Nominal Lumens	Charge (C)	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Fixture (C)	\$/KWH	\$/Watt
	HPS 9,500	0.000 \$/Lamp	3,350	0.000	5,800	0.000	2,600	0.000	0.00000	0.00000
			6,650	0.000	9,500	0.000	3,300	0.000		
			10,500	0.000	16,000	0.000	3,800	0.000		
	LED 4,300	0.000 \$/Fixture	20,000	0.000	25,500	0.000	4,900	0.000		
			34,000	0.000	50,000	0.000	7,500	0.000		
			51,000	0.000			15,000	0.000		
							20,000	0.000		

**ACT 129 COMPLIANCE RIDER – PHASE 2**

**(C)**

A Phase 2 Act 129 Compliance Rider (ACR 2) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff. The Rider will be implemented beginning June 1, 2013; however, the ACR 2 charge to the bills of customers will be applied beginning July 1, 2013.

The ACR 2 shall be computed separately for each of the following three customer classes:

**(C)**

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting of Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The ACR 2 will be computed for each customer receiving distribution service from the Company using the formulae described below. For residential customers, the ACR 2 charge shall be included in the distribution charges of the monthly bill. For all other customers, the ACR charge shall be listed as a separate charge on the monthly bill. All charges shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the residential rate schedules in this tariff have been adjusted to reflect application of the currently effective ACR 2.

The ACR 2 for the Residential class and the Small C&I class shall be computed using the following formula:

$$\text{ACR 2} = [\text{ACc/S} - \text{E/S}] \times 1 / (1 - \text{T})$$

The ACR 2 for the Large C&I class shall be computed using the following formula:

$$\text{ACR 2} = [\text{ACc/D} - \text{E/D}] \times 1 / (1 - \text{T})$$

Where:

ACc = A levelized annual budget of all costs required for the Company to implement its Commission-approved Phase 2 Energy Efficiency and Conservation (EE&C) Plan during a compliance year. A compliance year is the 12-month period beginning June 1 of each calendar year and ending May 31 of the following calendar year. The levelized annual budget amount is the sum of all direct and indirect costs (including all deferred design and development costs, general administrative costs, and applicable statewide evaluator costs) required to implement the Company's EE&C Plan divided by the number of months during which the Company's EE&C Plan will be in effect multiplied by the number of months in the compliance year.

The costs of each EE&C program available to only one customer class will be directly assigned to that customer class. Costs of EE&C programs which cannot be directly assigned to one customer class will be allocated to the customer classes benefiting from those programs using an allocation factor determined by dividing the EE&C costs directly assigned to each customer class by the total of the Company's EE&C Plan costs directly assigned to all customer classes.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 2 (CONTINUED)**

- D = For the Large C&I customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. The peak demand will be based on the customer's peak load contribution to the PJM peak load during the prior year of the PJM Planning Year.
- E = Net over or undercollection of the ACR 2 charges as of the end of the 12-month period (except in the first reporting year, the 10-month period) ending April 30 immediately preceding the next compliance year. Reconciliation of the ACR 2 will be conducted separately for each of the three customer classes based upon the annual EE&C budget for each customer class. No interest shall be computed monthly on over or undercollections. The reconciliation of ACR 2 revenues and expenses shall be adjusted during the 2016-2017 ACR 2 application year to reflect actual data for the month of May 2016, as well as any expenses incurred prior to May 31, 2016, but paid after that date.
- S = The Company's total billed KWH sales in each customer class who receive distribution service under this tariff (including distribution losses), projected for the computation year.
- T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The ACR 2 shall be filed with the Pennsylvania Public Utility Commission (Commission) by May 1 of each year. The ACR 2 charge shall become effective for distribution service provided to all customers on or after the following June 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 customer class's ACR 2, if left unchanged, would result in a material over or undercollection of Phase 2 Act 129 Compliance costs incurred or expected to be incurred during the current 12-month period ending May 31, the Company may file with the Commission for an interim revision of the ACR 2 to become effective ten (10) days from the date of filing, unless otherwise ordered by the Commission.

At the conclusion of the Phase 2 EE&C Plan on May 31, 2016, collections under the ACR 2 for each customer class will be reconciled to the total cost of the EE&C Plan allowed by the Commission for that customer class. Overcollections or undercollections will be reflected in the E factor, defined above, and will be refunded or recovered through application of the ACR 2 E factor through May 31, 2017. If any over/under collection balance is expected to remain after May 31, 2017, the collection period may be extended beyond May 31, 2017 to ensure the balance is eliminated.

Minimum bills shall not be reduced by reason of the ACR 2 nor shall charges hereunder be a part of the monthly rate schedule minimum. The ACR 2 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider. Charges under ACR 1 and ACR 2 will be combined for billing purposes only.

The Company shall file a report of collections under the ACR 2 within thirty (30) days following the conclusion of each compliance-year quarter. These reports will be in a form prescribed by the Commission. The third-quarter report shall be accompanied by a preliminary forecast of the ACR 2 for the next compliance year.

Application of the ACR 2 shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the ACR 2 and the costs included therein.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 2 (CONTINUED)**

**ACT 129 COMPLIANCE RIDER – PHASE 2 CHARGE**

Charges under the ACR 2 for the period June 1, 2016 through May 31, 2017, as set forth in the applicable Rate Schedules. **(C)**

<b>Customer Class</b>	<b>Large C&amp;I - Transmission</b>	<b>Large C&amp;I - Primary</b>	<b>Small C&amp;I</b>	<b>Residential</b>
Rate Schedule / Charge	L5S, LP-5, and LPEP  \$0.000/KW <b>(D)</b>	LP-4  \$0.000/KW <b>(D)</b>	GS-1, GS-3, BL, and GH-2 (R)  \$0.0000/KWH <b>(D)</b>	RS and RTS (R)  \$0.00000/KWH <b>(D)</b>

<b>Small C&amp;I – Street Lights</b>										
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	0.000 \$/Lamp	3,350	0.000	5,800	0.000	2,600	0.000	0.00000	0.00000
			6,650	0.000	9,500	0.000	3,300	0.000		
			10,500	0.000	16,000	0.000	3,800	0.000		
	LED 4,300	0.000 \$/Fixture	20,000	0.000	25,500	0.000	4,900	0.000		
			34,000	0.000	50,000	0.000	7,500	0.000		
			51,000	0.000			15,000	0.000		
							20,000	0.000		

**ACT 129 COMPLIANCE RIDER – PHASE 3**

A Phase 3 Act 129 Compliance Rider (ACR 3) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff. The ACR 3 will be implemented beginning June 1, 2016.

The ACR 3 shall be computed separately for each of the following three customer classes:

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting of Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The ACR 3 will be computed for each customer receiving distribution service from the Company using the formulae described below. For residential customers, the ACR 3 charge shall be included in the distribution charges on a kWh basis of the monthly bill. For all other customers, the ACR charge shall be listed as a separate charge on the monthly bill. All charges shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the residential rate schedules in this tariff have been adjusted to reflect application of the currently effective ACR 3.

The ACR 3 for the Residential class and the Small C&I class shall be computed using the following formula:

$$\text{ACR 3} = [\text{ACc}/\text{S} - \text{E}/\text{S}] \times 1 / (1 - \text{T})$$

The ACR 3 for the Large C&I class shall be computed using the following formula:

$$\text{ACR 3} = [\text{ACc}/\text{D} - \text{E}/\text{D}] \times 1 / (1 - \text{T})$$

Where:

ACc = An annual budget of all costs required for the Company to implement its Commission-approved Phase 3 Energy Efficiency and Conservation (EE&C) Plan during a compliance year. A compliance year is the 12-month period beginning June 1 of each calendar year and ending May 31 of the following calendar year. The annual project program cost is the sum of all direct and indirect costs (including all deferred design and development costs, general administrative costs, and applicable statewide evaluator costs) required to implement the Company's EE&C Plan divided by the number of months in the Company's EE&C Plan for the given application year. All deferred design and development cost, general administrative costs, and applicable statewide evaluator costs will be amortized over a 60 month period.

The costs of each EE&C program available to only one customer class will be directly assigned to that customer class. Costs of EE&C programs which cannot be directly assigned to one customer class will be allocated to the customer classes benefiting from those programs using an allocation factor determined by dividing the EE&C costs directly assigned to each customer class by the total of the Company's EE&C Plan costs directly assigned to all customer classes.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 3 (CONTINUED)**

- D = For the Large C&I customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. The peak demand will be based on the customer's peak load contribution to the PJM peak load during the prior PJM Planning Year.
- E = Net over or undercollection of the ACR 3 charges as of the end of the 12-month period ending March 31 immediately preceding the next compliance year. Reconciliation of the ACR 3 will be conducted separately for each of the three customer classes based upon the actual expenses incurred and actual revenues received for each customer class. No interest shall be computed monthly on over or undercollections. The reconciliation of ACR 3 revenues and expenses shall be adjusted during the 2017-2018 ACR 3 application year to reflect actual data for the months of April and May 2015, as well as any expenses incurred prior to May 31, 2016, but paid after that date.
- S = The Company's total billed KWH sales in each customer class who receive distribution service under this tariff (including distribution losses), projected for the computation year.
- T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The ACR 3 shall be filed with the Pennsylvania Public Utility Commission (Commission) by May 1 of each year. The ACR 3 charge shall become effective for distribution service provided to all customers on or after the following June 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 customer class's ACR 3, if left unchanged, would result in a material over or undercollection of Phase 3 Act 129 Compliance costs incurred or expected to be incurred during the current 12-month period ending May 31, the Company may file with the Commission for an interim revision of the ACR 3 to become effective ten (10) days from the date of filing, unless otherwise ordered by the Commission.

At the conclusion of the Phase 2 EE&C Plan on May 31, 2016, collections under the ACR 2 for each customer class will be reconciled to the total cost of the EE&C Plan allowed by the Commission for that customer class. Overcollections or undercollections will be reflected as a separate line item in the E factor calculation and will be refunded or recovered through application of the ACR 3 rate effective June 1, 2016 through May 31, 2017. If any over/under collection balance is expected to remain after March 31, 2017, the collection will be included in the ACR 3 rate going forward.

Minimum bills shall not be reduced by reason of the ACR 3 nor shall charges hereunder be a part of the monthly rate schedule minimum. The ACR 3 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider. Charges under ACR 1, and ACR 2, and ACR 3 will be combined for billing purposes only.

The Company shall file a report of collections under the ACR 3 within thirty (30) days following the conclusion of each compliance-year.

Application of the ACR 3 shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the ACR 3 and the costs included therein.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 3 (CONTINUED)**

**(C)**

**ACT 129 COMPLIANCE RIDER – PHASE 3 CHARGE**

Charges under the ACR 3 for the period June 1, 2020 through May 31, 2021, as set forth in the applicable Rate Schedules.

<b>Customer Class</b>	<b>Large I&amp;C -</b>	<b>Small I&amp;C</b>	<b>Residential</b>
Rate Schedule / Charge	LP4, L5S, LP-5, and LPEP	GS-1, GS-3, BL, and GH-2 (R)	RS and RTS (R)
	\$0.505/KW <b>(D)</b>	\$0.00131/KWH <b>(D)</b>	\$0.00129/KWH <b>(D)</b>

<b>Small C&amp;I – Street Lights</b>										
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	0.086 \$/Lamp	3,350	0.064	5,800	0.039	2,600	0.017	0.00131	0.00096
			6,650	0.100	9,500	0.056	3,300	0.025		
			10,500	0.140	16,000	0.082	3,800	0.025		
	LED 4,300	0.020 \$/Fixture	20,000	0.222	25,500	0.148	4,900	0.034		
			34,000	0.379	50,000	0.233	7,500	0.043		
			51,000	0.524			15,000	0.081		
							20,000	0.126		



**ACT 129 COMPLIANCE RIDER – PHASE 4**

A Phase 4 Act 129 Compliance Rider (ACR 4) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff. The ACR 4 will be implemented beginning June 1, 2021.

The ACR 4 shall be computed separately for each of the following three customer classes:

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting of Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The ACR 4 will be computed for each customer receiving distribution service from the Company using the formulae described below. For residential customers, the ACR 4 charge shall be included in the distribution charges on a kWh basis of the monthly bill. For all other customers, the ACR charge shall be listed as a separate charge on the monthly bill. All charges shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the residential rate schedules in this tariff have been adjusted to reflect application of the currently effective ACR 4.

The ACR 4 for the Residential class and the Small C&I class shall be computed using the following formula:

$$\text{ACR 4} = [\text{ACc}/\text{S} - \text{E}/\text{S}] \times 1 / (1 - \text{T})$$

The ACR 4 for the Large C&I class shall be computed using the following formula:

$$\text{ACR 4} = [\text{ACc}/\text{D} - \text{E}/\text{D}] \times 1 / (1 - \text{T})$$

Where:

ACc = An annual budget of all costs required for the Company to implement its Commission-approved Phase 4 Energy Efficiency and Conservation (EE&C) Plan during a compliance year. A compliance year is the 12-month period beginning June 1 of each calendar year and ending May 31 of the following calendar year. The annual project program cost is the sum of all direct and indirect costs (including all deferred design and development costs, general administrative costs, and applicable statewide evaluator costs) required to implement the Company's EE&C Plan divided by the number of months in the Company's EE&C Plan for the given application year. All deferred design and development cost, general administrative costs, and applicable statewide evaluator costs will be amortized over a 60 month period.

The costs of each EE&C program available to only one customer class will be directly assigned to that customer class. Costs of EE&C programs which cannot be directly assigned to one customer class will be allocated to the customer classes benefiting from those programs using an allocation factor determined by dividing the EE&C costs directly assigned to each customer class by the total of the Company's EE&C Plan costs directly assigned to all customer classes.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 4 (CONTINUED)**

- D = For the Large C&I customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. The peak demand will be based on the customer's peak load contribution to the PJM peak load during the prior PJM Planning Year.
- E = Net over or undercollection of the ACR 4 charges as of the end of the 12-month period ending March 31 immediately preceding the next compliance year. Reconciliation of the ACR 4 will be conducted separately for each of the three customer classes based upon the actual expenses incurred and actual revenues received for each customer class. No interest shall be computed monthly on over or undercollections. The reconciliation of ACR 3 revenues and expenses shall be adjusted during the 2022-2023 ACR 4 application year to reflect actual data for the months of April and May 2021, as well as any expenses incurred prior to May 31, 2021, but paid after that date.
- S = The Company's total billed KWH sales in each customer class who receive distribution service under this tariff (including distribution losses), projected for the computation year.
- T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The ACR 4 shall be filed with the Pennsylvania Public Utility Commission (Commission) by May 1 of each year. The ACR 4 charge shall become effective for distribution service provided to all customers on or after the following June 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 customer class's ACR 4, if left unchanged, would result in a material over or undercollection of Phase 4 Act 129 Compliance costs incurred or expected to be incurred during the current 12-month period ending May 31, the Company may file with the Commission for an interim revision of the ACR 4 to become effective ten (10) days from the date of filing, unless otherwise ordered by the Commission.

At the conclusion of the Phase 3 EE&C Plan on May 31, 2021, collections under the ACR 3 for each customer class will be reconciled to the total cost of the EE&C Plan allowed by the Commission for that customer class. Overcollections or undercollections will be reflected as a separate line item in the E factor calculation and will be refunded or recovered through application of the ACR 4 rate effective June 1, 2021 through May 31, 2022. If any over/under collection balance is expected to remain after March 31, 2022, the collection will be included in the ACR 4 rate going forward.

Minimum bills shall not be reduced by reason of the ACR 4 nor shall charges hereunder be a part of the monthly rate schedule minimum. The ACR 4 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider. Charges under ACR 3 and ACR 4 will be combined for billing purposes only.

The Company shall file a report of collections under the ACR 4 within thirty (30) days following the conclusion of each compliance-year.

Application of the ACR 4 shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the ACR 4 and the costs included therein.

(Continued)

**ACT 129 COMPLIANCE RIDER – PHASE 4 (CONTINUED)**

**ACT 129 COMPLIANCE RIDER – PHASE 4 CHARGE**

Charges under the ACR 4 for the period June 1, 2025 through May 31, 2026, as set forth in the applicable Rate Schedules.

<b>Customer Class</b>	<b>Large I&amp;C -</b>	<b>Small I&amp;C</b>	<b>Residential</b>
Rate Schedule / Charge	LP4, L5S, LP-5, and LPEP  \$1.057 /KW (I)	GS-1, GS-3, BL, and GH-2 (R)  \$0.00166 /KWH (D)	RS and RTS (R)  \$0.00220 /KWH (I)

<b>Small C&amp;I – Street Lights</b>										
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	0.109 \$/Lamp	3,350	0.082	5,800	0.049	2,600	0.021	0.00166	0.00121
			6,650	0.127	9,500	0.071	3,300	0.031		
			10,500	0.178	16,000	0.104	3,800	0.032		
	LED 4,300	0.026 \$/Fixture	20,000	0.282	25,500	0.188	4,900	0.043		
			34,000	0.481	50,000	0.295	7,500	0.055		
			51,000	0.664			15,000	0.103		
							20,000	0.159		

**MERCHANT FUNCTION CHARGE RIDER**

**(C)**

The Merchant Function Charge (MFC) Rider, stated as a percentage, shall be applied to the generation supply and transmission services charges billed, under the GSC-1 and TSC, respectively, as set forth in this Tariff, to each residential and small commercial & industrial (Small C&I) customer taking Basic Utility Supply Service (BUSS) under these Rate Schedules: RS, RTS (R), GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and stand-by service for the foregoing rate schedules. The MFC will be reflected in the Company's Price To Compare.

**(C)**

The MFC, which will not be subject to reconciliation, is designed to make the Company's Price To Compare more comparable to electric supply service prices offered by EGSs by reflecting anticipated generation supply-related uncollectible accounts expense in default service rates. In addition, the MFC will be applied to the TSC to reflect the applicable transmission service-related uncollectible accounts expense previously recovered through PPL Electric's distribution rates. The MFC is calculated by multiplying the generation supply charges billed under the GSC-1, and transmission service charges billed under the TSC, to each customer in the applicable class by the following uncollectible accounts expense percentages.

Residential Customer Class: 2.31%

**(C)**

Small C&I Customer Class: 0.23%

**(C)**

To eliminate the potential for a double-recovery of generation supply-related and transmission service-related uncollectible accounts expense, the distribution charges for the applicable Rate Schedules have been reduced by the amount of bundled generation supply-related, and transmission service-related, uncollectible accounts expense established in the Company's most recent distribution rate case at Docket No. R-2015-2469275.

The MFC Rider will continue until its terms and conditions are changed in a subsequent distribution rate case.

**RULE 6A - STAND-BY SERVICE  
FOR QUALIFYING FACILITIES (CONTINUED)**

**(C)**

**E. RATES FOR STAND-BY SERVICE (Continued)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Tariff Rule.

**Generation Supply Charge**

**(C)**

The Generation Supply Charge – 1 or Generation Supply Charge – 2 included in this Tariff applies to all KWH billed under this rate schedule.

**Riders**

The Riders included in this Tariff apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

The State Tax Adjustment Surcharge included in this Tariff shall be applied to the above charges.

(3) (a) Maintenance Power is billed separately. The billing is based on the KWH registered on the Company's meters. When metered KWH use is not available, the KWH energy billed under the Maintenance Power rates will be calculated by multiplying the KW of Maintenance Power specified under paragraph G by the number of hours of the use of Maintenance Power.

(b) Maintenance Power will be billed using the following charges:

	Service at 480 Volts <u>or Less</u>	Service at <u>12,470 Volts</u>	Service at 69,000 Volts <u>or Higher</u>
Distribution Charge	0.000¢/KWH <b>(D)</b>	0.000¢/KWH <b>(D)</b>	0.000¢/KWH

**(C)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Tariff Rule.

**Generation Supply Charge**

**(C)**

The Generation Supply Charge - 1 or Generation Supply Charge – 2 included in this Tariff applies to all KWH billed under this rate schedule.

**Riders**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

(Continued)

**SMART METER RIDER – PHASE 1**

**(C)**

A Phase 1 Smart Meter Rider (SMR 1) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff. **(C)**

The SMR 1 shall be computed separately for each of the following three customer classes: **(C)**

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The SMR 1, as computed using the formulae described below, shall be included in the distribution charges of the monthly bill for each customer receiving distribution service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the applicable rate schedules in this tariff have been adjusted to reflect application of the currently effective SMR 1.

The SMR 1 for the Residential class and the Small C&I class shall be computed using the following formula:

$$\text{SMR 1} = [\text{SM}_c / S - E_s / S] \times 1 / (1-T)$$

The SMR 1 for the Large C&I class shall be computed using the following formula:

$$\text{SMR 1} = [\text{SM}_c / N - E_s / N] \times 1 / (1-T)$$

Where:

$\text{SM}_c$  = An annual budget amount of all costs required for the Company to implement its Commission-approved Smart Meter Plan (SMP) during a compliance year. A compliance year is the 12-month period beginning January 1 of each calendar year and ending December 31 of the same calendar year, except the first compliance year which will also include all smart meter costs incurred prior to January 1, 2011. The annual budget amount is the sum of all direct and indirect capital (e.g., return of and return on applicable smart meter-related investment) and operating (e.g., applicable O&M and taxes) costs, including all deferred design and development costs, and general administrative costs, required to implement the Company's SMP in the compliance year.

The capital and operating costs of each SMP initiative available to only one customer class will be directly assigned to that customer class. The costs of SMP initiatives which cannot be directly assigned to one customer class will be assigned based on the ratio of number of meters assigned to the classes, divided by the number of meters for the entire system.

$N$  = Number of Bills (Customers X 12) per Year

(Continued)

**(C)** Indicates Change

**SMART METER RIDER – PHASE 1 (CONTINUED)****(C)**

- Es = Net over or undercollection of the SMR 1 charges as of the end of the 12-month period ending June 30 of each year. Reconciliation of the SMR 1 will be conducted separately for each of the three customer classes based upon the annual EE&C and SMP budgets for each customer class. Interest shall be computed monthly at the legal rate of interest of 6% from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.
- S = The Company's total delivered KWH sales to customers in each customer class who receive distribution service under this tariff (including distribution losses), projected for the computation year.
- T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The SMR 1 shall be filed with the Pennsylvania Public Utility Commission (Commission) by August 1 of each year. The SMR 1 charge shall become effective for distribution service provided to all customers 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 customer class's SMR 1, if left unchanged, would result in a material over or undercollection of Smart Meter costs incurred or expected to be incurred during the current 12-month period ending December 31, the Company may file with the Commission for an interim revision of the SMR 1 to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

Minimum bills shall not be reduced by reason of the SMR 1, nor shall charges hereunder be a part of the monthly rate schedule minimum. The SMR 1 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider.

The Company shall file a report of collections under the SMR 1 within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission. The third-quarter report shall be accompanied by a preliminary forecast of the SMR 1 for the next computation year.

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

(Continued)

**SMART METER RIDER - PHASE 2**

**(C)**

A Phase 2 Smart Meter Rider (SMR 2) shall be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company under this Tariff.

The SMR 2 shall be computed separately for each of the following three customer classes:

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting Rate Schedules GS-1, GS-3, IS-1 (R), BL, and GH-2 (R), and
- (3) Large Commercial and Industrial (Large C&I): Consisting of Rate Schedules LP-4, LP-5, LPEP, and L5S.

The SMR 2, as computed using the formulae described below, shall be included in the distribution charges of the monthly bill for each customer receiving distribution service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the applicable rate schedules in this tariff have been adjusted to reflect application of the currently effective SMR 2.

The SMR 2 for the Residential class, the Small C&I class, and the Large C&I class shall be computed using the following formula:

$$\text{SMR 2} = ((\text{SM}_c - E_s) / N) \times 1 / (1-T)$$

Where:

$\text{SM}_c$  = A quarterly actual amount of all costs required for the Company to implement its Commission approved Smart Meter Plan (SMP) during a compliance period. The initial SMR 2, effective October 1, 2015, shall be calculated to recover costs not previously reflected in PPL Electric's rates or rate base and that have been recorded on the Company's books and records between February 1, 2015 and August 31, 2015. Thereafter, the SMR 2 will be updated on a (C) quarterly basis to reflect costs during the three-month period ending one month prior to the effective date (a compliance period) of each SMR 2 update. The quarterly amount is the sum of all direct and indirect capital (e.g. return of and return on applicable smart meter-related investment) and operating (e.g., applicable O&M and taxes (dependent upon the Company's tax net operating loss carryforward)) costs, including all deferred design and development costs, and general administrative costs, required to implement the Company's SMP in the compliance period. Deferred costs incurred during 2014 and through May 2015 will be recovered over a three-year period.

The costs of SMP will be allocated to the total number of meters on PPL Electric's system based on the ratio of investment in meters for each rate class.

$N$  = Number of Bills (Customers X 3) per Quarter

(Continued)



**SMART METER RIDER - PHASE 2 (CONTINUED)**

Es = Net over or undercollection of the SMR 2 charges as of the end of the 12-month period ending December 31 of each year. Reconciliation of the SMR 2 will be conducted separately for each of the three customer classes based upon the annual revenue received compared to the actual SMP costs. Interest shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with Loan Interest and Protection Law (41 P.S. §§ 101, *et. seq.*) from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.

T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The SMR 2 shall be filed with the Pennsylvania Public Utility Commission (Commission) and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Auditing, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update. The changes in the SMR 2 rate will occur as follows:

(C)

<u>Effective Date of Change</u>	<u>Date to which SMR 2 - Eligible Costs Reflected</u>
October 1, 2024	June 1 – August 31, 2024
January 1, 2025	September 1 – November 30, 2024
April 1, 2025	December 1, 2024 – February 29, 2025
July 1, 2025	March 1 – May 31, 2025

Minimum bills shall not be reduced by reason of the SMR 2, nor shall charges hereunder be a part of the monthly rate schedule minimum. The SMR 2 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider.

The Company shall file a report of collections under the SMR 2 within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission.

Application of the SMR 2 shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the SMR 2 and the costs included therein.

(Continued)

**SMART METER RIDER - PHASE 2 (CONTINUED)**

**SMART METER RIDER - PHASE 2 CHARGES**

Charges under the SMR 2 for the period July 1, 2025 through September 30, 2025, as set forth **(C)**  
in the applicable Rate Schedules.

<b>Customer Class</b>	<b>Large C&amp;I</b>	<b>Small C&amp;I</b>	<b>Residential</b>
Rate Schedule / Charge	LP-4, LP-5, LPEP, and L5S  \$63.12/Bill <b>(D)</b>	GS-1, GS-3, BL, and GH-2 (R)  \$3.03/Bill <b>(D)</b>	RS and RTS (R)  \$1.50/Bill <b>(D)</b>

**COMPETITIVE ENHANCEMENT RIDER**

**(C)**

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, 2025 and continuing through December 31, 2025, 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.

**(C)**  
**(D)**

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.

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of 7.50% will apply consistent with the Commission Order dated May 23, 2013, at Docket No. P-2012-2325034, approving the DSIC and the Commission Order dated February 28, 2025, at Docket No. P- 2024-3048732, increasing the cap on the DSIC to 7.5% of billed distribution revenues until the effective date of rates established in the Company's next base rate case or until the end of the Company's 2023-2027 LTIP, whichever occurs first. This charge will be effective during the period July 1, (C) 2025 through September 30, 2025.

**GENERAL DESCRIPTION**

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide PPL Electric with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and towers (Account 364);
- Overhead conductors (Account 365) and underground conduit and conductors (Accounts 366 and 367);
- Line transformers (account 368) and substation equipment (Account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective for bills rendered on and after July 1, 2013.

(Continued)

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)**

**COMPUTATION OF THE DSIC**

A. Calculation: The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in PPL Electric's rates or rate base and will have been placed in service between March 1 through May 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
April 1st	December 1st – February 28th
July 1st	March 1st – May 31st
October 1st	June 1st – August 31st
January 1st	September 1st – November 30th

(C)

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in PPL Electric's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, PPL Electric's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in PPL Electric's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under PPL Electric's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by PPL Electric's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

(Continued)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)

COMPUTATION OF THE DSIC (Continued)

D. Formula: The formula for calculation of the DSIC is as follows: **(C)**

$$\text{DSIC} = \frac{((\text{DSI} \times \text{PTRR}) + \text{STFT} + \text{Dep} + e) \times \frac{1}{(1-T)}}{\text{PQR}}$$

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.
- PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from applicable customers. The quarterly revenues will be determined on the basis of the summation of projected revenues for the applicable three-month period.
- T = Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC, nor shall charges hereunder be a part of the monthly rate schedule minimum. The DSIC shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under the DSIC.

QUARTERLY UPDATES

Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

(Continued)

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)****CUSTOMER SAFEGUARDS**

A. Cap: Consistent with the Commission Order dated February 28, 2025, at Docket No. **(C)** P-2024-3048732, the DSIC is capped at 7.50% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis until the effective date of rates established in the Company's next base rate case or until the end of the Company's 2023-2027 LTIP, whichever occurs first.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or PPL Electric may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to PPL Electric's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. PPL Electric is not permitted to accrue interest on under collections.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in PPL Electric's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert also shall be included with the first billing.

E. Customer classes: Effective July 1, 2013, the DSIC shall be applied equally to all customer classes except Rate Schedule LP-5, consistent with the Commission Order entered April 9, 2015 at Docket No. P-2012-2325034. Effective January 1, 2016, the DSIC shall be applied equally to all customer classes except Rate Schedules LP-5 and LPEP.

F. Earning Reports: The DSIC also will be reset at zero if, in any quarter, data filed with the Commission in PPL Electric's then most recent Annual or Quarterly Earnings reports (Schedule D-2) show that PPL Electric would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. PPL Electric shall file a tariff supplement implementing the reset to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that PPL Electric has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)

CUSTOMER SAFEGUARDS (Continued)

G. Residual E-Factor Recovery Upon Reset to Zero: PPL Electric shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. PPL Electric can recoup or refund the residual over/under collection balance when the DSIC rate is reset to zero. PPL Electric shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Customer Safeguard Section B. The tariff supplement shall be submitted in accordance with the Quarterly Updates section of this tariff. (C)



**STORM DAMAGE EXPENSE RIDER****PURPOSE**

The Storm Damage Expense Rider (SDER) shall be applied to bills of all retail customers of the Company. The SDER provides for recovery of qualified storm damage expenses incurred by the Company from storms reportable to the Pennsylvania Public Utility Commission (Commission) that are not otherwise currently recovered through its base rates.

**STORM DAMAGE EXPENSES**

Storm damages for purposes of this SDER are those resulting from direct physical loss or damage to property from wind, tornado, hurricane, tropical storm, tropical depression, rain, snow, hail, sleet, ice, lightning, flood, fire resulting from any of these perils, and similar causes. Storm damage expenses consist of those expenses incurred to remediate storm damage to the Company's distribution system, including, but not limited to, overtime and premium wages of the Company's employees, costs of outside service providers and mutual aid utilities employed by the Company during storm restoration efforts, materials and supplies used to repair or replace damaged property, overhead charges associated with storm damage expenses, including wages and benefits, transportation, purchasing and stores charges, expediting expenses for the reasonable and extra costs to make temporary repairs and to expedite the permanent repair or replacement of damaged property, and expenses of providing services to customers whose electric service has been interrupted by any of the perils listed above. Straight-time wages and benefits and expenses reimbursed by others will be excluded from the SDER, and capitalized costs of repairing or replacing facilities damaged by the perils listed above, will be excluded from the SDER.

**FACTOR DEFINITION**

Net storm damage expenses to be recovered in the SDER shall be equal to:

$$\text{SDER} = (C - R) + E,$$

Where C equals the Cost factor, R equals the Base Rate factor and E equals the Experience factor.

The C Factor = For purposes of calculating SDER charges, storms will be categorized as reportable or non-reportable storms. Reportable storms are those that cause unscheduled service interruptions in a single event to 2,500 or more customers for 6 or more consecutive hours; non-reportable storms are all other storms. See 52 Pa. Code § 67.1(b). Storm damage expenses from non-reportable storms will be recovered through base rates and not through the SDER.

(Continued)

**STORM DAMAGE EXPENSE RIDER (Continued)****FACTOR DEFINITION (Continued)**

In order to calculate the C factor for each application year starting with 2015, the Company will include in the SDER all qualifying storm damage expenses caused by reportable storms incurred during the 12-month period ending two months prior to the application year, except that all qualifying expenses caused by major storm events, defined as an interruption of electric service resulting from conditions beyond the control of the Company which affects at least 10% of the Company's customers during the course of the event for a duration of 5 minutes each or greater (see 52 Pa. Code §57.192), will be recovered over three years and reflected in SDER rates commencing in the application year after the storm occurred. (C)

Qualifying expenses from major storm events occurring during 2012 that were the subject of deferral petitions which subsequently were approved by the Commission shall be recovered over three application years commencing in 2015. The C factor will include interest for major storm events that are subject to amortization, as provided above. Such interest shall be computed monthly at the average rate of interest specified for residential mortgage lending by the Secretary of Banking in accordance with the Act of January 30, 1974 (P.L. 13, No. 6 referred to as the Loan Interest and Protection law, 41 P.S. §§ 101 et seq.), from the month the amortization begins to the effective month that the full amount of the amortization is recovered.

The R Factor = The R factor is the amount of applicable storm damage expense reflected in the Company's base rates. The R factor for 2014 and thereafter, unless modified by the Commission in a subsequent base rate case, shall equal \$14,700,000, which for purposes of this SDER constitutes the amount of expense from reportable storms currently recovered through base rates, excluding previously approved amortization allowances for expenses for extraordinary storms that currently are reflected in the Company's base rates.

(Continued)

## STORM DAMAGE EXPENSE RIDER (Continued)

(C)

## FACTOR DEFINITION (Continued)

The E Factor = The E factor is the amount of any under or over collections during the year prior to the application year resulting from differences between actual and projected billing units. Interest shall be computed monthly at the average rate of interest specified for residential mortgage lending by the Secretary of Banking in accordance with the Act of January 30, 1974 (P.L. 13, No. 6 referred to as the Loan Interest and Protection law, 41 P.S., §§ 101 et seq.), from the month the over or under collection occurs to the effective month that the over or under collection is recouped or refunded.

## PRICING PROVISION

The SDER shall be computed separately for each of the following four customer classes:

(C)

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial (Small C&I): Consisting Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS, SLE, SE, TS (R), and GH-2 (R),
- (3) Large Commercial and Industrial - Primary (Large C&I - Primary): Consisting of Rate Schedule LP-4, and
- (4) Large Commercial and Industrial – Transmission (Large C&I – Transmission): Consisting of Rate Schedules LP-5, LPEP, and L5S.

Per the Company's most recent approved distribution base rate case at Docket No. R-2015-2469275, the following Allocation Schedule percentages apply for the following four customer classes.

(C)

Customer Class	Residential	Small C&I	Large Primary C&I	Large Transmission C&I
Allocation Schedule	70.15% (I)	24.53% (D)	4.82% (I)	0.50% (I)

The SDER, as computed using the formula described below, shall be included in the distribution charges of the monthly bill for each customer receiving distribution service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year. Charges set forth in the applicable rate schedules in this tariff have been adjusted to reflect application of the currently effective SDER.

Net storm damage expenses to be recovered in each application year (C-R+E) will be allocated among these four customer classes using the method in the cost allocation study approved by the Commission in the Company's most recent base rate proceeding.

(Continued)

**STORM DAMAGE EXPENSE RIDER (Continued)****(C)****PRICING PROVISION (Continued)**

The SDER for the Residential class shall be computed using the following formula:

$$\text{SDER} = [\text{RASDE} / \text{D}] \times 1 / (1 - \text{T})$$

The SDER for the Small C&I class shall be computed using the following formula:

$$\text{SDER} = [\text{SASDE} / \text{D}] \times 1 / (1 - \text{T})$$

The SDER for the Large C&I - Primary class shall be computed using the following formula:

$$\text{SDER} = [\text{LASDEP} / \text{N}] \times 1 / (1 - \text{T})$$

The SDER for the Large C&I – Transmission class shall be computed using the following formula:

$$\text{SDER} = [\text{LASDET} / \text{N}] \times 1 / (1 - \text{T})$$

Where:

RASDE = Net storm damage expenses allocated to Residential customers

SASDE = Net storm damage expenses allocated to Small C&I customers

LASDEP = Net storm damage expenses allocated to Large C&I - Primary customers

LASDET = Net storm damage expenses allocated to Large C&I – Transmission customers.

D = The Company's total billed kWh sales in each customer class that receives distribution service under this Tariff (including distribution losses), projected for the computation year.

N = Number of Customers per Year

**(C)**

T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

(Continued)

**STORM DAMAGE EXPENSE RIDER (Continued)**

**RECOVERY PERIOD**

For 2015 and subsequent years, the SDER charges together with supporting data will be filed with the Commission no later than December 1 of the preceding year. The SDER charges shall become effective for service rendered on and after the following January 1.

Upon a determination that an SDER charge, if left unchanged, would result in a material over or under-collection of all SDER expenses incurred or expected to be incurred during the current 12-month application period, the Company may file with the Commission a request for an interim revision of the SDER to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

**ACCOUNTING**

Beginning on December 1, 2013, the Company will record any qualifying storm damage expenses from reportable storms in excess of the \$14,700,000 included in base rates, to a regulatory asset for inclusion in the SDER. If the amount of storm damage expense incurred is less than the \$14,700,000 included in base rates, the Company will record a regulatory liability for inclusion in the SDER.

**CUSTOMER SAFEGUARDS**

Cap: Total annual revenues collected under the SDER will be capped at an amount not to exceed 3% of the total intrastate operating revenues billed to customers, exclusive of amounts recovered under the State Tax Adjustment Surcharge. If storm damage expense for recovery exceeds 3%, the excess expenses will be deferred and available for recovery in the Company's next base rate case under Section 1308.

Audit/Reconciliation: The SDER is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1307, *et seq.*, shall be credited to customer accounts. The SDER is subject to annual reconciliation based on a reconciliation period ending October 31 of each year. The revenue received under the SDER for the reconciliation (C) period will be compared to PPL Electric's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period.

(Continued)

**STORM DAMAGE EXPENSE RIDER (Continued)**

**(C)**

**STORM DAMAGE EXPENSE RIDER CHARGE**

Beginning January 1, 2025 and continuing through the period December 31, 2025, the SDER charges will be applied as set forth in the applicable Rate Schedules, unless otherwise ordered by the Pennsylvania Public Utility Commission (Commission).

**(C)**

Customer Class	Large C&I - Transmission	Large C&I - Primary	Small C&I	Residential
Rate Schedule / Charge	L5S, LP-5, and LPEP  \$101.50/Bill <b>(I)</b>	LP-4  \$123.10/Bill <b>(I)</b>	GS-1, GS-3, BL, and GH-2 (R)  \$0.00092/KWH <b>(I)</b>	RS and RTS (R)  \$0.00184/KWH <b>(I)</b>

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	0.060 \$/Lamp	3,350	0.045	5,800	0.027	2,600	0.012	0.00092	0.00067
			6,650	0.071	9,500	0.039	3,300	0.017		
			10,500	0.099	16,000	0.058	3,800	0.017		
	LED 4,300	0.014 \$/Fixture	20,000	0.156	25,500	0.104	4,900	0.024		
			34,000	0.266	50,000	0.164	7,500	0.030		
			51,000	0.368			15,000	0.057		
							20,000	0.088		

**(I)** Indicates Increase   **(D)** Indicates Decrease   **(C)** Indicates Change

Issued: November 26, 2024

Effective: January 1, 2025

**TCJA TEMPORARY SURCHARGE**

**(C)**

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently on May 17, 2018, and June 14, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates as follows:

A negative surcharge of 8.00% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2025. This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

**(D)**

**(C)**

This negative surcharge will be reconciled at the end of each calendar year and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. After the initial filing on June 15, 2018, the TCJA Temporary Surcharge shall be filed with the Commission by December 1 of each year that it is in place.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.

**RATE SCHEDULE RS  
RESIDENTIAL SERVICE**

**(C)**

**APPLICATION RATE SCHEDULE RS**

This Rate Schedule is for single phase residential service in accordance with the APPLICATION PROVISIONS hereof. The Multiple Dwelling Unit Application is restricted to eight or less dwelling units for applications after August 26, 1976, and further to buildings converted to multiple dwelling units for applications after June 28, 1980. Separate Water Heating Service is available only to service locations served under this application on and continuously after April 26, 1985.

**NET MONTHLY RATE**

Distribution Charge  
Effective: July 1, 2025

**(C)**

\$15.58 per month (Customer Charge, includes SMR2 and CER) plus  
5.049 cents per KWH (Includes ACR 4, USR, and SDER)

**(D)**

Transmission Service Charge

The Transmission Service Charge included in this Tariff applies to all KW and kWh billed under this Rate Schedule.

Generation Supply Charge -1

The Generation Supply Charge -1 included in this tariff applies to all KWH billed under this rate Schedule.

**MINIMUM CHARGE**

The Minimum Distribution Charge is the Customer Charge.

**BUDGET BILLING**

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

**MULTIPLE DWELLING UNIT APPLICATION**

When multiple dwelling units are supplied through one meter, the per day charge and the KWH block charges of the Distribution Charge rate, plus for customers who receive Basic Utility Supply Service from the Company, Generation Supply Charge-1 rates are multiplied by the number of dwelling units in the determination of the net monthly bill under this Rate Schedule. Demand billing does not apply under this provision.

(Continued)



**RATE SCHEDULE RS (CONTINUED)**

**(C)**

**SEPARATE WATER HEATING SERVICE**

When water heating use is supplied exclusively through a separate meter and is equipped with automatic timing controls, water heating service is billed separately at the Customer Charge and the KWH block charges of the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge -1 applies. The Monthly Minimum Bill applies to this service. No new applications will be accepted after January 1, 2000.

The customer provides the separate meter base and service entrance at the same point of delivery and at the same voltage as the general use service. The customer also provides and installs any control device specified by the Company to automatically control the water heater operation. Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted.

**RIDERS**

The Riders included in that Tariff apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. After the due date, the Company may initiate collection procedures and a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

(Continued)

**RATE SCHEDULE RS (CONTINUED)**

**(C)**

**APPLICATION PROVISIONS**

For the purposes of the application of this Rate Schedule, a dwelling is defined as a living space consisting of at least permanent provisions for shelter, dining, sleeping, and cooking, with provisions for permanent electric, water, and sanitation services.

(1) This Rate Schedule is for single phase electric service for:

- (a) A single family dwelling and detached buildings when the detached buildings are served at the customer's expense through the same meter as the single family dwelling.
- (b) A separate dwelling unit in an apartment house.
- (c) A single farm dwelling and general farm uses when general farm uses are served at the customer's expense through the same meter as the single farm dwelling.
- (d) A building previously wired for single meter service which is converted to not more than 8 separate dwelling units served through one meter.

(2) This Rate Schedule does not apply to:

**(C)**

- (a) Residential service that includes more than 2,000 watts of connected load attributable to commercial or professional use exclusive of space heating and air conditioning in common with the residence.
- (b) Residential service combined with any commercial or professional use outside the residence or in a section of a multi-use building that is separate from the dwelling unit.
- (c) Service which includes common use in excess of 5,500 watts of connected load for halls, basement, or other portions of an apartment building.
- (d) Single meter service to multiple dwelling units in buildings constructed after June 28, 1980.
- (e) Establishments recognized by name, notice or advertisement, such as hotels, clubs, fraternities, sororities, boarding houses, institutions, orphanages, rest homes, tourist homes and rooming houses with more than 3 rooms available for such use and rectories and convents with accommodations for more than 5 adults.
- (f) Residential service locations connected on or after September 28, 1995, which include more than 2,000 watts of general farm load.
- (g) Residential service locations with an installed generating system that has a nameplate capacity greater than 50 kilowatts.
- (h) Campers, Recreational Vehicles (RV), and construction trailers that are mobile in nature and are not permitted dwellings.

(3) Where any use of service at a residence or on a farm is not eligible for the application of this Rate Schedule, customer has the option to provide separate circuits so that the portion that is applicable can be metered and billed separately hereunder and the remaining portion can be billed under the applicable general service rate schedule. When separate circuits are not provided, the entire service is billed under the applicable general service rate schedule.

**RATE SCHEDULE RTS (R)**

**(C)**

**RESIDENTIAL SERVICE - THERMAL STORAGE**

Applications for service under this Rate Schedule for new service locations will be accepted only until December 31, 1995. Service will be provided to existing service locations supplied hereunder through the life of the existing thermal storage units.

**APPLICATION RATE SCHEDULE RTS (R)**

This Rate Schedule is for single phase residential service in accordance with load management capabilities in accordance with the APPLICATION PROVISIONS hereof.

**NET MONTHLY RATE**

Distribution Charge  
Effective: July 1, 2025

**(C)**

\$19.55 per month (Customer Charge, includes SMR 2 and CER) plus  
3.882 cents per KWH (Includes ACR 4, USR, and SDER)

**(D)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Minimum Distribution Charge is Customer Charge.

(Continued)

**RATE SCHEDULE RTS (R) (CONTINUED)**

**(C)**

**BUDGET BILLING**

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. After the due date, the Company may initiate collection procedures and a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

**APPLICATION PROVISIONS**

1. This Rate Schedule is applicable to service which would otherwise qualify under Rate Schedule RS except for the following:

- (a) Service to two or more separate dwelling units supplied through a single meter.
- (b) Seasonal service and seasonal use customers.
- (c) Service with separate meter controlled water heater service.
- (d) Residential service with general farm use which includes more than 2,000 watts.

2. Any changes in service entrance equipment to accommodate metering under this Rate Schedule are made by the customer at his own expense.

3. Load management capability is the positive automatic control of the operation of any thermal storage system for space heating which is acceptable to the Company as being effective in limiting on-peak use of electric service. The Company reserves the right to inspect such systems at reasonable times and may discontinue billing under this Rate Schedule whenever, in the Company's sole judgment, the system no longer qualifies.

4. The maximum electric thermal unit that may be connected under this Rate Schedule is 75 KW. Heating elements must be switched in stages not in excess of 7.5 KW per stage.

5. The Company reserves the right to install necessary devices to control the operation of the electric components of the thermal storage system at its option.

6. Customers who elect to take service under this Rate Schedule agree to allow the Company to install load survey meters.

**RATE SCHEDULE GS-1  
SINGLE PHASE GENERAL SERVICE  
AT SECONDARY VOLTAGE**

**(C)**

**APPLICATION RATE SCHEDULE GS-1**

This Rate Schedule is for single phase non-residential service at secondary voltage and other applications outside the scope of the Residential Rate Schedule, which would include residential service locations with an installed generating system that has a nameplate greater than 50 kilowatts. The billing demand is limited to 5 KW for accounts served under discontinued Rate Schedule FC as of June 28, 1980. New applications with voltage levels higher than the secondary voltage will not be accepted after January 1, 2005.

**(C)**

Effective January 1, 2008, new General Service customers receiving single-phase service will be served under Rate Schedule GS-1. Customers taking service under Rate Schedule GS-1 or Rate Schedule GS-3 as of December 31, 2007 will continue to be allowed to switch from one rate schedule to the other until January 1, 2010, subject to existing rules and restrictions. On and after January 1, 2010, these customers may no longer switch between Rate Schedule GS-1 and Rate Schedule GS-3 except that: (1) three-phase customers on Rate Schedule GS-1 may switch to Rate Schedule GS-3 but may not thereafter switch back to Rate Schedule GS-1; and (2) single phase customers on Rate Schedule GS-3 may switch to Rate Schedule GS-1, but may not thereafter switch back to Rate Schedule GS-3.

**NET MONTHLY RATE**

Distribution Charge

\$22.00 per month (Customer Charge) plus

\$4.361 per kilowatt for all Billing KW

**(I)**

**(I)**

Transmission Service Charge

The Transmission Service Charge included in this Tariff applies to all KW and KWH billed under this Rate Schedule.

Generation Supply Charge -1

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BILLING KW**

The Billing KW for the Distribution component is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(Continued)

**RATE SCHEDULE GS-1 (CONTINUED)**

**(C)**

**SPACE CONDITIONING AND WATER HEATING**

When storage space conditioning and/or water heating is supplied exclusively through a separate meter, service is billed separately at the Customer Charge and KW charges at the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge-1 or applies. The Monthly Minimum applies to this service. No new applications will be accepted after January 1, 2000.

**SERVICE TO VOLUNTEER FIRE COMPANIES, NON-PROFIT SENIOR CITIZEN CENTERS,  
NON-PROFIT RESCUE SQUADS, AND NON-PROFIT AMBULANCE SERVICES**

Upon application and acceptance by the Company, Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-profit Ambulance Services may, for a minimum one year period, elect to have electric service rendered pursuant to the following charges.

Distribution Charge  
Effective: July 1, 2025

**(C)**

\$15.58 per month (Customer Charge includes SMR 2 and CER) plus  
5.049 cents per KWH (Includes ACR 4, USR, and SDER)

**(D)**

**VOLUNTEER FIRE COMPANY** is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service by the customer of record at this location shall be to support the activities of the volunteer fire company.

**NON-PROFIT SENIOR CITIZEN CENTER** is defined as a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups where access to a wide range of service to senior citizens is provided, which is qualified by the Internal Revenue Service (IRS) as non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit senior citizen center.

**NON-PROFIT RESCUE SQUAD** is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment, or a facility that is qualified by the IRS as non-profit and recognized by PEMA and the Departments of Health as a provider of rescue services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit rescue squad.

(Continued)

**RATE SCHEDULE GS-1 (CONTINUED)**

**(C)**

NON-PROFIT AMBULANCE SERVICE is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular ambulance equipment, or a facility that is qualified by the IRS as non-profit and certified by Pennsylvania Department of Health as a provider of ambulance services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit ambulance service.

**BUDGET BILLING**

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULE GS-3  
THREE PHASE GENERAL SERVICE  
AT SECONDARY VOLTAGE**

**(C)**

**APPLICATION RATE SCHEDULE GS-3**

This Rate Schedule is for two phase and three-phase service at secondary voltage. Where necessary, the Company furnishes and maintains one transformation from line voltage to a lower Company standard service voltage. New applications with voltage levels higher than the secondary voltage will not be accepted after January 1, 2005.

Effective January 1, 2008, new General Service customers receiving three-phase service will be served under Rate Schedule GS-3. Customers taking service under Rate Schedule GS-1 or Rate Schedule GS-3 as of December 31, 2007 will continue to be allowed to switch from one rate schedule to the other until January 1, 2010, subject to existing rules and restrictions. On and after January 1, 2010, these customers may no longer switch between Rate Schedule GS-1 and Rate Schedule GS-3 except that: (1) three-phase customers on Rate Schedule GS-1 may switch to Rate Schedule GS-3 but may not thereafter switch back to Rate Schedule GS-1; and (2) single phase customers on Rate Schedule GS-3 may switch to Rate Schedule GS-1, but may not thereafter switch back to Rate Schedule GS-3.

**NET MONTHLY RATE**

**Distribution Charge**

\$ 60.00 per month (Customer Charge) plus  
\$ 3.985 per kilowatt for all kilowatts of the Billing KW

**(I)  
(D)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and KWH billed under this Rate Schedule.

**Generation Supply Charge**

The Generation Supply Charge -1 or Generation Supply Charge -2 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BILLING KW**

The Billing KW for the Distribution component is the average number of kilowatts supplied during the 15-minute period of maximum use during the current billing period.

(Continued)



**RATE SCHEDULE GS-3 (CONTINUED)**

**(C)**

**SPACE CONDITIONING AND WATER HEATING**

When storage space conditioning and/or water heating is supplied exclusively through a separate meter, service is billed separately at the Customer Charge and KW charges at the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge -1 or Generation Supply Charge – 2 applies. The Monthly Minimum applies to this service. No new applications will be accepted after January 1, 2000.

**SERVICE TO VOLUNTEER FIRE COMPANIES NON-PROFIT SENIOR CITIZEN CENTERS  
NON-PROFIT RESCUE SQUADS, AND NON-PROFIT AMBULANCE SERVICES**

Upon application and acceptance by the Company, Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services may for a minimum one-year period, elect to have electric service rendered pursuant to the following charges.

Distribution Charge  
Effective: July 1, 2025

**(C)**

\$15.58 per month (Customer Charge includes SMR2 and CER) plus  
5.049 cents per KWH (Includes ACR 4, USR, and SDER)

**(D)**

**VOLUNTEER FIRE COMPANY** is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service by the customer of record at this location shall be to support the activities of the volunteer fire company.

**NON-PROFIT SENIOR CITIZEN CENTER** is defined as a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups where access to a wide range of service to senior citizens is provided, which is qualified by the Internal Revenue Service (IRS) as non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit senior citizen center.

**NON-PROFIT RESCUE SQUAD** is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment, or a facility that is qualified by the IRS as non-profit and recognized by PEMA and the Departments of Health as a provider of rescue services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit rescue squad.

(Continued)

**RATE SCHEDULE GS-3 (CONTINUED)**

**(C)**

NON-PROFIT AMBULANCE SERVICE is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular ambulance equipment, or a facility that is qualified by the IRS as non-profit and certified by Pennsylvania Department of Health as a provider of ambulance services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit ambulance service.

**BUDGET BILLING**

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULE LP-4  
LARGE GENERAL SERVICE AT 12,470 VOLTS**

**(C)**

**APPLICATION RATE SCHEDULE LP-4**

This Rate Schedule is for large general service supplied from available lines of three phase 12,470 volts or single phase 7,200 volts when the customer furnishes and maintains all equipment necessary to transform the energy from line voltage. New applications with voltage levels higher or lower than 12,470 volts will not be accepted after January 1, 2005.

**NET MONTHLY RATE**

**Distribution Charge**

\$169.80 per month (Customer Charge) plus

\$ 2.547 per kilowatt for all kilowatts of the Billing KW.

**(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge**

The Generation Supply Charge -1 or Generation Supply Charge -2 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BILLING KW**

The Billing KW for the Distribution and the Transmission components are the average number of kilowatts supplied during the 15-minute period of maximum use during the current billing period.

(Continued)

**RATE SCHEDULE LP-4 (CONTINUED)**

**(C)**

**SPACE CONDITIONING AND WATER HEATING**

When storage space conditioning and/or water heating is supplied exclusively through a separate submeter, service is billed separately at the Customer Charge and KW charges at the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge -1 or Generation Supply Charge -2 applies. The Monthly Minimum applies to this service. No new applications will be accepted after January 1, 2000.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULE LP-5  
LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER**

**(C)**

**APPLICATION RATE SCHEDULE LP-5**

This Rate Schedule is for large general service supplied from available lines of 69,000 volts or higher, with the customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage. It applies to three phase, 60 Hertz service.

**NET MONTHLY RATE**

Distribution Charge

\$994.00 per month (Customer Charge)

Transmission Service Charge

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

Generation Supply Charge -2

The Generation Supply Charge -2 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BILLING KW**

The Billing KW for the Transmission component is based on the customer's peak load contribution to the PJM peak load.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

(Continued)

**RATE SCHEDULE LP-5 (CONTINUED)**

**(C)**

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULE LPEP  
POWER SERVICE TO ELECTRIC PROPULSION**

**(C)**

**APPLICATION RATE SCHEDULE LPEP**

This Rate Schedule is available for electric propulsion service from the Company's high voltage lines of 69,000 volts or higher, when the customer furnishes and maintains all equipment necessary to transform the energy from line voltage. No new applications will be accepted after January 1, 2000.

**NET MONTHLY RATE**

**Distribution Charge**

\$126,323.59 per month (Customer Charge)

**(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -2**

The Generation Supply Charge -2 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BILLING KW**

The Billing KW for the Transmission component is based on the customer's peak load contribution to the PJM peak load.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

(Continued)

**RATE SCHEDULE LPEP (CONTINUED)**

**(C)**

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.



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**RATE SCHEDULE BL  
BORDERLINE SERVICE - ELECTRIC SERVICE**

**(C)**

**APPLICATION OF RATE SCHEDULE BL**

This Rate Schedule is for borderline service to public utility companies for resale in adjacent territory under reciprocal agreements subject to the following conditions:

1. Request is made in writing for each point of supply where service is desired under said agreement.
2. Service is supplied when Company has available capacity in lines, transformers, generating apparatus or other equipment over and above that required to meet the demands, present and prospective, for service in its own territory, of which fact Company's determination is final.
3. When such service is supplied, the potential, phase and period of service at the desired point of supply shall be mutually agreed upon.

**NET MONTHLY RATE**

**Distribution Charge**

4.795 cents per KWH plus 1% on Company's investment in facilities necessary to deliver and meter the service.

**(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

Payment shall be made on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULES FOR  
WEST CHILLISQUAQUE RATE DIVISION**

**(C)**

**APPLICATION OF RATE SCHEDULES**

These Rate Schedules are for customers in West Chillisquaque Township that were previously served by Citizens' Electric and switched to PPL Electric, as approved and subject to the terms and conditions of the Pennsylvania Public Utility Commission's Order entered at Docket No. A-2019-3008827. These rates will be in place until the effective date of rates established in PPL Electric's next base rate case.

**NET MONTHLY RATE**

	Tariff Schedule		Distribution Pricing		
	Citizens'	PPL Electric's	Customer Charge	Cents per kWh	Dollars per kW
Residential	RS	RS	\$11.24	2.1837	\$0.00
Small General	GLP-1	GS-1	\$14.17	0.9101	\$2.93
Outdoor Lighting	OL	SA	\$8.31	0.0000	\$0.00

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under these Rate Schedules.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under these Rate Schedules.

**RIDERS**

The TCJA Rider included in this Tariff applied to these Rate Schedules is listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under these Rate Schedules.

**PAYMENT**

Payment shall be made based on PPL Electric's corresponding tariff schedule as shown in the above table.

**CONTRACT PERIOD**

Service under this Rate Schedule shall be made based on PPL Electric's corresponding tariff schedule as shown in the above table.

**RATE SCHEDULE SA  
PRIVATE AREA LIGHTING SERVICE**

**(C)**

**APPLICATION OF RATE SCHEDULE SA**

This Rate Schedule is for the lighting of yards, private roadways, alleys and other areas supplied from existing overhead secondary distribution.

**NET MONTHLY RATE**

**Distribution Charge**

\$13.400 per lamp for High Pressure Sodium (HPS)

\$13.400 per fixture for Light Emitting Diode (LED)

**(D)**

**(C)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge - 1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

**EQUIPMENT AND SERVICE**

Company installs and maintains the bracket, luminaire, lamp and photoelectric control on a Company-owned wood pole. Lamp is lighted from dusk to dawn or for approximately 4,300 hours per annum.

A high pressure sodium (HPS) lamp of a nominal 9,500 lumens or Light Emitting Diode (LED) of a nominal 4,300 lumens is installed in a luminaire on a 30-inch bracket. Lamp replacements are normally made by the third (3) working day after outage notification by the customer to a Company office. There is no credit for outages. The Company reserves the right to make substitutes when identical materials are not available.

**(C)**

Company installs up to one span of secondary not exceeding 150 feet from an existing secondary voltage supply and one pole for each lamp provided the location of the pole is accessible by a service truck for the installation and maintenance of the lamp and provided the Company is furnished a suitable right-of-way.

Upon request and at the Company's discretion, the Company may install an area light fixture on a suitable customer-owned support.

Where a secondary supply is not available at the desired lamp location and/or where the distance is more than one span, the Company may furnish the service providing the customer reimburses Company for the Company's estimated added investment required to supply the service in each case.

(Continued)

**RATE SCHEDULE SA (CONTINUED)**

**(C)**

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically or not less than 20 days when billed in conjunction with a residential rate schedule. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof except, when billed in conjunction with Rate Schedules RS, RTS, and RTD, in which case a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

**CONTRACT PERIOD**

**(C)**

Service under this Rate Schedule is for an initial term of one (1) year for HPS lamps and five (5) years for LED fixtures from the date service is first rendered, unless the Company and the customer mutually agree to a different term in a contract for service.

**RATE SCHEDULE SM(R)  
MERCURY VAPOR STREET LIGHTING SERVICE**

**(C)**

The application of this Rate Schedule to all service is limited as indicated in the Application section of this Rate Schedule. No new installations of mercury vapor lamps and fixtures shall be offered after January 1, 2008 in accordance with the Energy Policy Act of 2005.

**APPLICATION RATE SCHEDULE SM**

This Rate Schedule is for lighting service from overhead or underground facilities on public areas such as streets, highways, bridges and parks, to municipalities, other governmental agencies, or private property customers, when all such service is supplied under Company's standard form of contract in accordance with the various laws applicable thereto.

The application of this Rate Schedule is limited as follows:

- (a) 10,500 lumen and 34,000 lumen mercury vapor lamps -- fixtures installed on or before and supplied continuously after June 2, 1973, and also prospective fixtures where a definite rate commitment has been made as of that date as long as service is continuous thereafter, and fixtures previously supplied under Hershey Electric Company SMVO rate.
- (b) metal pole overhead -- poles installed on or before and in service continuously after June 2, 1973, and fixtures previously supplied under Hershey Electric Company SMVO and S rates.
- (c) customer-owned equipment -- customers served on or before and supplied continuously after August 26, 1976.
- (d) 20,000 lumen and 51,000 lumen mercury vapor lamps -- fixtures installed on or before and supplied continuously after August 22, 1983, and additions at locations adjacent to such existing installations.
- (e) 3,350 lumen and 6,650 lumen mercury vapor lamps -- fixtures installed on or before and supplied continuously after April 28, 1987, and additions at locations adjacent to or interspersed with such existing installations.
- (f) The mercury vapor (MV) lamps which fail will be transitioned to the High Pressure Sodium (HPS) (Rate Schedule SHS) nominal lumens equivalent or Light Emitting Diode (LED) (Rate Schedule SLE) nominal lumens equivalent. A nominal lumen/wattage equivalent table is shown below. This is in accordance with the Energy Policy Act of 2005 – Section 135 H.R. 6-39, which states that “Mercury Vapor Lamp ballasts shall not be manufactured or imported after January 1, 2008.”

**(C)**

<u>Lamp</u> <u>Description</u>	<u>Nominal</u> <u>Lumen</u>	<u>Wattage</u>	<u>Lamp</u> <u>Description</u>	<u>Nominal</u> <u>Lumen</u>	<u>Wattage</u>	<u>Fixture</u> <u>Description</u>	<u>Nominal</u> <u>Lumen</u>	<u>Wattage</u>
MV	3,350	100	HPS	5,800	70	LED	2,600	36
MV	6,650	175	HPS	9,500	100	LED	3,300	50
MV	10,500	250	HPS	16,000	150	LED	3,800	53
MV	20,000	400	HPS	25,500	250	LED	4,900	70
MV	34,000	700	HPS	25,500	250	LED	7,500	91
MV	51,000	1,100	HPS	50,000	400	LED	15,000	170
						LED	20,000	269

(Continued)

**(C)** Indicates Change

**RATE SCHEDULE SM (R) (CONTINUED)**

**(C)**

**NET MONTHLY RATE**

(1) Lamp Prices

Distribution Charge

**(I)**

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>		<u>MULTIPLE UNITS</u>	
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
Mercury Vapor	3,350	100	\$12.225	----	\$18.503	\$20.075	----	----
Mercury Vapor	6,650	175	\$14.641	\$21.702	\$21.289	\$22.810	\$25.232	\$12.586
Mercury Vapor	10,500	250	\$18.244	\$25.127	----	----	\$28.445	\$16.818
Mercury Vapor	20,000	400	\$22.788	\$29.793	----	----	\$33.357	\$20.517
Mercury Vapor	34,000	700	\$36.032	\$43.255	----	----	\$47.877	\$33.951
Mercury Vapor	51,000	1,100	\$45.252	\$52.828	----	----	\$57.425	\$43.177

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

(2) The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(3) The Company, at its option, may offer appropriate overhead rates set forth above to customers in recognition of their either installing, owning and/or paying for portions of a street lighting installation.

(4) Whenever customer requests an installation hereunder which requires an investment by the Company greater than five (5) times the estimated annual revenue, the Company, at its option, may install the lamps as requested upon payment by the customer of such estimated excess costs.

(Continued)



**RATE SCHEDULE SM (R) (CONTINUED)****(C)****STANDARD INSTALLATION AND SERVICE**

All necessary street lighting facilities are supplied, installed, operated and maintained by Company and are connected to Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by Company at the time service is originally contracted for.

Wood Pole Overhead Service. Lamps are mounted on Company's wood poles or on other supports not supplied by Company specifically for street lighting purposes, and are supplied by overhead wires. Lamp fixtures are mounted on brackets or mast arms. A standard installation under the above rates includes one span of secondary per location.

Metal Pole Overhead Service. Lamps are mounted on steel street lighting poles not exceeding 35 feet in height and supplied by overhead wires. A standard installation under the above rates includes one span of secondary per location.

Wood Pole Underground Service. Lamps are mounted on Company's wood or fiberglass street lighting poles and are supplied by underground wires. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

Low Mounting Underground Service. Lamps are mounted on Company's low mounting street lighting poles and are supplied by underground cable. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

High Mounting Underground Service. Lamps are mounted on metal street lighting poles not exceeding 35 feet in height and supplied by underground cable. A standard installation under the above rates includes a maximum of 175 circuit feet of cable and trenching and backfilling.

All lamps are lighted from dusk to dawn every night, or for approximately 4,300 hours per annum.

**CONTINUOUS OPERATION**

At customer request, individual lamps may be operated continuously 24 hours per day. The net monthly rate for continuous operation shall be 160% of the aforementioned applicable net monthly rates.

**SPECIAL INSTALLATIONS**

Whenever customer requests an installation that is not in conformity with the aforementioned STANDARD INSTALLATION AND SERVICE provisions, Company may, at its option, install the lamps as requested upon payment in advance by the customer of the estimated installed cost of facilities required in excess of that required for standard installation or of the excess investment in special equipment over that of standard equipment. The maintenance of special equipment is subject to (1) time and ability to obtain replacement, and (2) advance payment of the then excess cost over standard for each replacement.

**REMOVALS**

If customer requests Company to remove any part of a mercury vapor street lighting system to install high pressure sodium street lighting equipment or to remove any part of a high pressure sodium street lighting system to install another high pressure sodium street lighting system or any other type of street lighting system and if the mercury vapor or high pressure sodium luminaires,

(Continued)

**RATE SCHEDULE SM (R) (CONTINUED)**

**(C)**

**REMOVALS (Continued)**

supporting brackets, poles and/or conductors which are to be removed as a result of any requested removal, are less than ten years old, Company will charge for and Customer shall pay for such a change. The charge will be based upon Company's estimated costs for removal and rehabilitation plus the estimated remaining life value of the removed equipment less salvage. However, if the Customer's request is made to upgrade the lighting on the street to Illuminating Engineering Society standards, in accordance with the Energy Policy Act of 2005 which states Mercury Vapor Lamp ballasts shall not be manufactured or imported after January 1, 2008, the Company may waive the charge calculated hereunder.

**CUSTOMER-OWNED EQUIPMENT**

Whenever the customer furnishes, installs and owns the entire lighting system using equipment approved by and installed in a manner acceptable to the Company, the Company may, at its discretion, operate and maintain the system at the following net monthly rates.

**Distribution Charge**

**(I)**

<u>Wattage</u>	<u>Lamp Size Minimum Initial Lumens</u>	<u>Customer Owns and Company Operates &amp; Maintains</u>
100	3,350	\$7.953
175	6,650	\$10.482
250	10,500	\$13.365
400	20,000	\$18.278

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(Continued)

**RATE SCHEDULE SM (R) (CONTINUED)**

**(C)**

**CUSTOMER-OWNED EQUIPMENT (Continued)**

The Company's responsibility under the aforementioned charges for maintaining the customer-owned lighting system is limited to relamping, cleaning fixtures, and painting poles requiring paint, but does not include relocating or replacing all or any part of the street lighting facilities.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 30 days from the date bill is mailed via the U.S. Postal Service or mailed electronically for municipalities and other governmental agencies and 15 days for private owner or agencies. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Ten (10) years and thereafter until terminated in accordance with contract provisions.

**RATE SCHEDULE SHS  
HIGH PRESSURE SODIUM STREET LIGHTING SERVICE**

**(C)**

**APPLICATION OF RATE SCHEDULE SHS**

This Rate Schedule is for lighting service from overhead or underground facilities on public areas such as streets, highways, bridges and parks, to municipalities, other governmental agencies, or private property customers when all such service is supplied under Company's standard form of contract in accordance with the various laws applicable thereto.

The application of this Rate Schedule is limited as follows:

- (a) metal pole overhead - existing locations served under another of the Company's street lighting rate schedules and locations previously served under Hershey Electric Company Rate Schedule SMVO.

**NET MONTHLY RATE**

**(1) Lamp Prices**

**Distribution Charge**

**(I)**

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
H.P.Sodium	5,800	70	\$12.452	\$16.540	\$18.847	\$18.999	----	\$11.406
H.P.Sodium	9,500	100	\$13.674	\$17.474	\$20.256	\$20.360	\$24.117	\$12.579
H.P.Sodium	16,000	150	\$15.083	\$18.706	----	----	\$25.329	\$13.077
H.P.Sodium	25,500	250	\$20.185	\$23.342	----	----	\$34.179	\$17.081
H.P.Sodium	50,000	400	\$25.784	\$28.516	----	----	\$39.518	\$20.422

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

(Continued)

**RATE SCHEDULE SHS (CONTINUED)**

**(C)**

(2) The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(3) The Company, at its option, may offer appropriate overhead rates set forth above to customers in recognition of their either installing, owning and/or paying for portions of a street lighting installation.

(4) Whenever customer requests an installation hereunder which requires an investment by the Company greater than five (5) times the estimated annual distribution revenue, the Company, at its option, may install the lamps as requested upon payment by the customer of such estimated excess costs. **(C)**

**STANDARD INSTALLATION AND SERVICE**

All necessary street lighting facilities are supplied, installed, operated and maintained by Company and are connected to Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by Company at the time service is contracted for.

Wood Pole Overhead Service. Lamps are mounted on Company's wood poles, or other supports not supplied by Company specifically for street lighting purposes, and are supplied by overhead wires. Luminaires are mounted on brackets or mast arms. A standard installation under the above rates includes one span of secondary conductor per location.

Metal Pole Overhead Service. Lamps are mounted on Company's existing metal poles served by overhead wires. No new overhead supplied metal pole installations will be made under this rate schedule.

Wood Pole Underground Service. Lamps are mounted on Company's wood or fiberglass street lighting poles and are supplied by underground wires. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

Low Mounting Underground Service. Lamps are mounted on Company's low mounting street lighting poles and are supplied by underground cable. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

High Mounting Underground Service. Lamps are mounted on Company's high mounting metal street lighting poles not exceeding 35 feet in height and are supplied by underground cable. A standard installation under the above rates includes a maximum of 175 circuit feet of cable and trenching and backfilling.

Multiple Unit Service. When practical, each additional lamp after the first mounted on a street lighting pole is billed under the above Multiple Unit rate. A standard installation under the above rates includes only the luminaire, lamp, photocontrol, bracket or mast arm and wire in the bracket or mast arm.

All lamps are lighted from dusk to dawn every night, or for approximately 4,300 hours per annum.

(Continued)

**RATE SCHEDULE SHS (CONTINUED)**

**(C)**

**CONTINUOUS OPERATION**

At customer request, individual lamps may be operated continuously 24 hours per day. The net monthly rate for continuous operation shall be 160% of the aforementioned applicable net monthly rates.

**SPECIAL INSTALLATIONS**

Whenever customer requests an installation that is not in conformity with the aforementioned STANDARD INSTALLATION AND SERVICE provisions, Company may, at its option, install the lamps as requested upon payment in advance by the customer of the estimated installed cost of facilities required in excess of that required for standard installation or of the excess investment in special equipment over that of standard equipment. The maintenance of special equipment is cost over standard for each replacement subject to (1) time and ability to obtain replacement, and (2) advance payment of the then excess.

**REMOVALS**

If customer requests Company to remove any part of a mercury vapor (MV) street lighting system to install high pressure sodium (HPS) street lighting equipment or to remove any part of a high pressure sodium (HPS) street lighting system to install another high pressure sodium (HPS) street lighting system or any other type of street lighting system and if the mercury vapor (MV) or high pressure sodium (HPS) or Light Emitting Diode (LED) luminaires, supporting brackets, poles and/or conductors which are to be removed as a result of any requested removal, are less than ten (10) years old, Company will charge for and Customer shall pay for such a change. The charge will be based upon Company's estimated costs for removal and rehabilitation plus the estimated remaining life value of the removed equipment less salvage. However, if the Customer's request is made to upgrade the lighting on the street to Illuminating Engineering Society standards, in accordance with the Energy Policy Act of 2005 which states Mercury Vapor Lamp ballasts shall not be manufactured or imported after January 1, 2008, the Company may waive the charge calculated hereunder.

**(C)**

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 30 days from the date bill is mailed via the U.S. Postal Service or mailed electronically for municipalities and other governmental agencies and 15 days for private owner or agencies. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Ten (10) years and thereafter until terminated in accordance with contract provisions.

**RATE SCHEDULE SLE**  
**LIGHT EMITTING DIODE (LED) STREET LIGHTING SERVICE**

**APPLICATION OF RATE SCHEDULE SLE**

This Rate Schedule is for lighting service from overhead or underground facilities on public areas such as streets, highways, bridges and parks, to municipalities, other governmental agencies, or private property customers when all such service is supplied under Company's standard form of contract in accordance with the various laws applicable thereto.

The application of this Rate Schedule is limited as follows:

- (a) metal pole overhead - existing locations served under another of the Company's street lighting rate schedules.

**NET MONTHLY RATE**

(1) Fixture Prices

**Distribution Charge**

<u>FIXTURE DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
LED	2600	36	----	----	\$24.695	\$24.834	----	----
LED	3300	50	\$13.026	\$16.164	----	----	----	\$4.495
LED	3800	53	----	----	\$25.725	\$25.801	----	----
LED	4900	70	\$14.240	\$17.149	----	----	\$22.248	\$4.730
LED	7500	91	\$16.056	\$19.020	----	----	\$23.943	\$5.502
LED	15000	170	\$22.587	\$25.414	----	----	\$33.305	\$8.053
LED	20000	269	\$28.936	\$30.947	----	----	\$39.842	\$10.051

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

(Continued)

**RATE SCHEDULE SLE (CONTINUED)**

(2) The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(3) The Company, at its option, may offer appropriate overhead rates set forth above to customers in recognition of their either installing, owning and/or paying for portions of a street lighting installation.

(4) Whenever customer requests an installation hereunder which requires an investment by the Company greater than five (5) times the estimated annual distribution revenue, the Company, at its option, may install the lamps as requested upon payment by the customer of such estimated excess costs.

**STANDARD INSTALLATION AND SERVICE**

All necessary street lighting facilities are supplied, installed, operated and maintained by Company and are connected to Company's available general distribution system. The equipment installed under the above rate is of the type currently being furnished by Company at the time service is contracted for.

Wood Pole Overhead Service. Lamps are mounted on Company's wood poles, or other supports not supplied by Company specifically for street lighting purposes, and are supplied by overhead wires. luminaires are mounted on brackets or mast arms. A standard installation under the above rates includes one span of secondary conductor per location.

Metal Pole Overhead Service. Lamps are mounted on Company's existing metal poles served by overhead wires. No new overhead supplied metal pole installations will be made under this rate schedule.

Wood Pole Underground Service. Lamps are mounted on Company's wood or fiberglass street lighting poles and are supplied by underground wires. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

Low Mounting Underground Service. Lamps are mounted on Company's low mounting street lighting poles and are supplied by underground cable. A standard installation under the above rates includes a maximum of 150 circuit feet of cable and trenching and backfilling.

High Mounting Underground Service. Lamps are mounted on Company's high mounting metal street lighting poles not exceeding 35 feet in height and are supplied by underground cable. A standard installation under the above rates includes a maximum of 175 circuit feet of cable and trenching and backfilling.

Multiple Unit Service. When practical, each additional lamp after the first mounted on a street lighting pole is billed under the above Multiple Unit rate. A standard installation under the above rates includes only the luminaire, lamp, photocontrol, bracket or mast arm and wire in the bracket or mast arm.

All lamps are lighted from dusk to dawn every night, or for approximately 4,300 hours per annum.

(Continued)



**RATE SCHEDULE SLE (CONTINUED)**

**CONTINUOUS OPERATION**

At customer request, individual lamps may be operated continuously 24 hours per day. The net monthly rate for continuous operation shall be 160% of the aforementioned applicable net monthly rates.

**SPECIAL INSTALLATIONS**

Whenever customer requests an installation that is not in conformity with the aforementioned STANDARD INSTALLATION AND SERVICE provisions, Company may, at its option, install the lamps as requested upon payment in advance by the customer of the estimated installed cost of facilities required in excess of that required for standard installation or of the excess investment in special equipment over that of standard equipment. The maintenance of special equipment is cost over standard for each replacement subject to (1) time and ability to obtain replacement, and (2) advance payment of the then excess.

**REMOVALS**

If customer requests Company to remove any part of a mercury vapor (MV) street lighting system to install high pressure sodium (HPS) street lighting equipment or to remove any part of a high pressure sodium (HPS) street lighting system to install street lighting system or any other type of street lighting system and if the MV or HPS or Light Emitting Diode (LED) luminaires, supporting brackets, poles and/or conductors which are to be removed as a result of any requested removal, are less than ten (10) years old, Company will charge for and Customer shall pay for such a change. The charge will be based upon Company's estimated costs for removal and rehabilitation plus the estimated remaining life value of the removed equipment less salvage. However, if the Customer's request is made to upgrade the lighting on the street to Illuminating Engineering Society standards, in accordance with the Energy Policy Act of 2005 which states Mercury Vapor Lamp ballasts shall not be manufactured or imported after January 1, 2008, the Company may waive the charge calculated hereunder.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 30 days from the date bill is mailed via the U.S. Postal Service or mailed electronically for municipalities and other governmental agencies and 15 days for private owner or agencies. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Fifteen (15) years and thereafter until terminated in accordance with contract provisions.

**RATE SCHEDULE SE**

**(C)**

**ENERGY ONLY STREET LIGHTING SERVICE**

**APPLICATION OF RATE SCHEDULE SE**

This Rate Schedule is available to municipalities, other governmental agencies, and non-municipal customers for the operation of mercury vapor, high pressure sodium, metal halide, induction or Light Emitting Diode (LED) street lighting systems on public areas such as streets, highways, bridges and parks where the municipality, other governmental agency and non-municipal customers provides for the installation, ownership, operation and maintenance of the street lighting equipment.

**NET MONTHLY RATE**

**(1) Lamp Rates**

**Distribution Charge**

Street Lighting Equipment on Company Pole.....	10.437 cts. per KWH
Street Lighting Equipment on Customer Pole or Support.....	6.026 cts. per KWH

**(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

(2) Service hereunder is unmetered with the number of KWH billed for each size lamp calculated based upon the estimated input wattage of the luminaire and 4,300 burning hours per year.

(Continued)

**RATE SCHEDULE SE (CONTINUED)****(C)****MINIMUM SYSTEM**

Application is limited to mercury vapor, high pressure sodium, metal halide, induct ion, or Light Emitting Diode (LED) street lights in systems of a minimum of 5 contiguous lamps of one customer. Customer-owned street lights served hereunder may not be intermixed with street lights served under the Company's other street lighting rate schedules.

The 5 lamp minimum may, at Company's option, be waived when a customer desires to take service for its entire street lighting requirements hereunder and said total requirement is less than the 5 lamp minimum.

**INITIAL SYSTEM AND FUTURE ADDITIONS**

The Customer provides advance written notice to Company (at least 90 days for initial systems or 30 days for additions to existing systems) of its intentions to install customer-owned street lighting hereunder. The notification includes the location, wattage, lumen size, type of equipment and proposed installation date. In addition, for customer-owned street lighting proposed for installation on Company's poles the customer provides the construction specifications for Company's approval.

**STANDARD INSTALLATION AND SERVICE**

Street Lighting Equipment on Company Wood Pole: The customer provides, installs, operates and maintains the street lighting luminaire, lamp, control, bracket and the wire from the luminaire to the point of connection with the Company's overhead general distribution system. The Company provides, installs, operates and maintains the wood pole and the overhead secondary wire from Company's general distribution system to the point of connection with customer's wire. Generally, the customer will attach its street lighting system to Company's existing poles; but the Company at its option provides, installs, operates and maintains a maximum of one wood pole and one span of secondary conductor to new locations requested by the customer. The installation by Company in excess of one wood pole and one span of secondary conductor to serve a customer-owned street light is at customer's expense.

Street Lighting Equipment on Customer Pole or Support: The customer provides, installs, operates and maintains the street lighting luminaire, lamp, control, bracket, pole or support, foundation and wire between poles or supports. The Company provides, installs, operates and maintains one span of overhead secondary conductor to a group of street lights, as defined by Company, on customer-owned poles or supports. The installation by Company in excess of one span of overhead secondary to a group of customer-owned street lights is at customer's expense.

Customer-owned street lighting equipment mounted on poles or supports of other utilities with whom Company has joint-use agreements are billed at the rate for Street Lighting Equipment on Company Poles.

Any non-municipal customer will be required to demonstrate that it has complied with all municipal requirements pertaining to lighting before being eligible for service under Rate Schedule SE. In addition, before street lighting facilities may be energized, the non-municipal customer shall provide the Company and the municipality with an inspector's certification that the street lighting facilities are constructed to applicable electrical code requirements and also provide the Company and the municipality with as-built drawings certified by engineering seal of the final placement, configuration, and cut sheets for street lighting facilities to be energized. The non-municipal customer shall provide certification to the municipality of continued compliance with the National Electrical Code requirements as required by the municipality.

**(C)**

(Continued)

**RATE SCHEDULE SE (CONTINUED)****(C)****STANDARD INSTALLATION AND SERVICE (Continued)**

Customer-owned street lighting installed as multiple units on a Company or other utility pole are billed at the rate for Street Lighting Equipment on customer Pole or Support. Multiple units are defined hereunder as additional lamps installed on a Company or other utility pole already supporting customer-owned street lighting equipment.

Customer-owned street lighting equipment is installed in accordance with Company and industry safety codes and, where installed on Company poles, in accordance with general Company specifications for similar equipment.

Any rearrangements, replacements or relocations of Company's electric distribution system required solely for the installation, operation or maintenance of customer's street lighting equipment are at the customer's expense.

The Company makes all connections of customer's street lighting system to the Company's available general distribution system. Generally customer-owned street lighting equipment will be served at 120 volts or 240 volts. However, at Company's option, customer-owned street lighting equipment mounted on customer pole or support may be served at other available secondary voltages.

All luminaires served hereunder are operated at alternating current, 60 hertz, single phase and are controlled by photo control for dusk to dawn operation every night, approximately 4,300 hours per year.

All relocations of customer-owned street lighting equipment are at customer's expense.

**CONTINUOUS OPERATION**

When the customer operates individual lamps continuously 24 hours per day, the KWH billed hereunder is doubled for those individual lamps operated continuously.

**IDENTIFICATION**

Each customer-owned luminaire and support bracket served hereunder must be marked by customer with two adjacent wraps of 2 inch wide, yellow and black diagonal striped, pressure sensitive tape, clearly identifiable by a ground level indicates customer ownership of the equipment. Company will supply customer with sufficient tape to mark the equipment. The customer shall affix to each luminaire pole or location a placard indicating with ownership the name of the customer and a telephone number to report light outages. In addition, customer shall notify the public and the local municipality of customer's ownership of and responsibility for the street lighting equipment in the areas served hereunder and shall publish and advertise a customer telephone number for public and municipal use in reporting malfunctioning equipment.

**(C)****CHANGE IN SIZE AND TYPE OF STREET LIGHTING UNIT**

Written notice of any change in size or type of any components of customer's street lighting system by location is furnished by customer to Company not more than 14 days after the date of such change.

(Continued)

**(I)** Indicates Increase    **(D)** Indicates Decrease    **(C)** Indicates Change

**RATE SCHEDULE SE (CONTINUED)**

**(C)**

**AUDITING**

The Company has the right to periodically audit the number and size of lamps of customer's street lighting system. The customer agrees to cooperate with Company during such audits.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 30 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**ATTACHMENT AGREEMENT**

Customer signs the Company's standard Attachment Agreement for those luminaires mounted by customer on Company's poles. The Attachment Agreement includes indemnification of Company by customer and provides for purchase of public liability and property damage insurance by customer.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**RATE SCHEDULE TS (R)**

**(C)**

**MUNICIPAL TRAFFIC SIGNAL LIGHTING SERVICE**

This Rate Schedule is in the process of elimination and service hereunder is available only to existing locations continuously supplied hereunder as of August 26, 1976.

**APPLICATION OF RATE SCHEDULE TS(R)**

This Rate Schedule is for traffic signal lighting service to cities, boroughs, and townships. The minimum under this rate schedule is 50 watts.

**NET MONTHLY RATE**

**Distribution Charge**

7.496 cts. per watt of connected load.

**(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

The number of KWH supplied is based upon the average hours use and size of lamps.

**MONTHLY MINIMUMS**

The Minimum Billing Demand is 50 KW. The Monthly Minimum Distribution Charge is 50 KW times the demand step of the effective Distribution Charge. The Monthly Minimum Capacity and Energy Charge is 50 Watts times the effective Generation Supply Charge - 1.

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

(Continued)

**RATE SCHEDULE TS (R) (CONTINUED)**

**(C)**

**PAYMENT**

**(C)**

Payment shall be made on or before the due date specified on the bill, which is not less than 30 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

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**RATE SCHEDULE GH-2 (R)  
SEPARATE METER GENERAL SPACE HEATING SERVICE**

**(C)**

This Rate Schedule is in the process of elimination and is available only to service locations supplied hereunder continuously on or after August 21, 1972, and also to prospective service locations where a definite rate commitment has been made as of that date for so long as service is continuous thereafter.

**APPLICATION OF RATE SCHEDULE GH-2 (R)**

This Rate Schedule is for separately metered electric space heating service to customers whose general use is supplied under some other general service rate schedule in accordance with the APPLICATION PROVISIONS hereof and may include service for general use in an all electric apartment building when individual living units in the building are metered separately under a residential rate schedule.

Electric space heating facilities shall be permanently installed and operated for personal comfort. Service hereunder is supplied at secondary voltage or at a higher voltage at Company's option, is available only for service supplied continuously throughout the year and is not available for temporary service for less than one year.

**NET MONTHLY RATE**

**Distribution Charge**

\$22.00 per month (Customer Charge) plus  
\$3.955 per KW of the Billing KW

**(I)  
(I)**

**Transmission Service Charge**

The Transmission Service Charge included in this Tariff applies to all KW and/or KWH billed under this Rate Schedule.

**Generation Supply Charge -1**

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

**MINIMUM CHARGE**

The Monthly Minimum Distribution Charge is the Customer Charge.

**BUDGET BILLING**

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

**BILLING KW**

The Billing KW for the Distribution component is the average number of Kilowatts supplied during the 15 minute period of maximum use during the current billing period.

(Continued)

**RATE SCHEDULE GH-2 (R) (CONTINUED)**

**(C)**

**RIDERS**

The Riders included in this Tariff that apply to this Rate Schedule are listed in the Rider Matrix on Page 14D.

**STATE TAX ADJUSTMENT SURCHARGE**

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

**PAYMENT**

**(C)**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed via the U.S. Postal Service or mailed electronically. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

**CONTRACT PERIOD**

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered, unless the Company and the customer mutually agree to a different term in the contract for service.

**APPLICATION PROVISIONS**

Service hereunder is applicable under the following conditions:

- (a) All the space heating requirements on customer's premises, or in customer's building or newly constructed section thereof, are supplied hereunder through a separate meter from the same point of delivery and at the same voltage as the general service.
- (b) Use of service for comfort cooling air conditioning, for commercial cooking and for automatic storage type water heaters with thermostatically controlled non-inductive heating units, may be included hereunder in connection with and on the same premises as the space heating equipment. This does not include ventilating fans, water for process purposes and plug-in commercial cooking appliances not used with commercial electric ovens and ranges.
- (c) Supplemental use of renewable energy sources such as wood, solar, wind, and water is permitted in conjunction with service supplied hereunder without violating the total electric energy requirement of this Rate Schedule. Any customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation.

PPL ELECTRIC UTILITIES CORPORATION

# Universal Service & Energy Conservation Plan (USECP)

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2017-2019 Plan For CAP, LIURP, Operation HELP, CARES

**November 6, 2017**

Program design and implementation for CAP (OnTrack), LIURP (WRAP), Operation HELP, and CARES.

**OnTrack Program**  
**Customer Assistance Program (CAP)**

## **PPL Electric Utilities Corporation**

### **OnTrack Program**

#### **1. Program Description**

##### **1.2. Overview**

OnTrack is a special payment program for low-income households at or below 150 percent of the federal poverty level who have trouble paying the full cost of their electric bill. OnTrack is PPL Electric Utilities Corporation's (PPL Electric, PPL, or the Company) Customer Assistance Program (CAP) and is one of its Universal Service Programs (USP). This program, funded by residential customers and administered by community-based organizations, started as a pilot in 1993.

The primary features of OnTrack include:

- A reduced fixed payment amount based on ability to pay
- Arrearage forgiveness over a specified period of time (18 months)
- Protection against shutoff of electric service
- Referrals to other programs and services

PPL Electric establishes an 18-month debt forgiveness timetable for all new OnTrack enrollees. The customer's outstanding balance amount is reviewed at the time of enrollment and the overdue amount is frozen. The outstanding balance is forgiven in a straight-line method. Equal installments are forgiven over the 18-month time period. The debt forgiveness installments are shown on the customer's statement of account and in the Company's Customer Service System (CSS) as arrearage forgiveness credits.

The 18-month forgiveness timetable provides benefits to customers and the Company. From customers' perspectives, they are able to see significant progress every month as the debt owed to PPL Electric becomes smaller and smaller. This helps motivate customers to continue making on-time payments and managing their usage to remain in the program and ultimately see the pre-program arrears amount (overdue balance) get to zero. The Company benefits by receiving a timely recovery of costs and ultimately lower overdue receivables.

##### **1.3. Background**

In July 1992, the Pennsylvania Public Utility Commission (PUC or the Commission) adopted a Policy Statement that established guidelines for Customer Assistance Programs. The Commission encouraged all electric and gas utilities to implement CAP pilots. After receiving approval from the Commission for its pilot proposal, PPL Electric implemented OnTrack in December 1993. The pilot began in one region and expanded to all regions by June 1994. The Company agreed to enroll 2,000 low-income customers in OnTrack. PPL Electric stopped the pilot program on July 31, 1995.

On December 3, 1996, Governor Tom Ridge signed a law that increased competition in the electric utility industry. The new law gave consumers the opportunity to choose their electric generation supplier. The legislation required electric distribution companies to continue their various assistance programs (e.g., CARES, Operation HELP, OnTrack and WRAP).

As a result of its August 12, 1998 Re-structuring Settlement Agreement with all interested parties, PPL Electric agreed to expand OnTrack expenditures significantly from 1999 through 2002. During this four-year period, the program's annual budget increased from \$5.875 million in 1999 to \$11.7 million in 2002. In December 2007, as part of base rate case proceeding at Docket No. R-00072155, the Commission approved an annual funding level of \$19.0 million for OnTrack. Actual total program expenditures for OnTrack over the past five years has been as follows: \$54M in 2011, \$47.1M in 2012, \$55.2M in 2013, \$72M in 2014, and \$83.6M in 2015.

#### **1.4. Objectives**

PPL Electric recovers its universal service program costs through the Universal Service Rider (USR)<sup>1</sup>. The Company has proposed CAP expenditure funding of approximately \$106 million in 2017, \$118 million in 2018, and \$129 million in 2019. PPL Electric has increased the number of active OnTrack participants by 26 percent to approximately 47,000 in 2015 from 37,200 in 2014 (as of December 31 for each year noted). For the 2010 through 2015 period, the Company had year-over-year growth rates of 16 percent, 8 percent, 2 percent, 2 percent, 9 percent, and 19 percent. PPL Electric has developed a strategy to increase the Company's ability to target low-income customers that are overdue and payment troubled. The key policy objectives for OnTrack are to:

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<sup>1</sup> As a part of the settlement agreement for PPL's 2007 distribution rate case, the Commission approved a reconcilable USR to recover appropriate costs for PPL Electric's CAP and weatherization program (WRAP).

1. Administer a cost-effective program;
2. Provide expanded services to low-income households;
3. Identify for enrollment those customers who meet the OnTrack guidelines;
4. Adhere to all PUC reporting requirements and policies; and
5. Identify and implement improvements to strengthen the effectiveness of OnTrack.

### **1.5. Statement of Purpose & Operating Objectives**

In performing collection functions, PPL Electric gives careful attention to the wide variety of circumstances that can affect customers. Financial hardships, physical disabilities, family problems, and poor money management are but a few of the factors that can lead to non-payment of electric bills and, ultimately, overdue receivables and write-offs. The Company considers each customer's situation in determining the appropriate collection action. PPL Electric has structured and implemented OnTrack to address the needs of low-income customers while balancing financial, regulatory, and social interests.

The four primary operating objectives of the OnTrack program are to:

1. Improve customers' bill payment habits and attitudes;
2. Stabilize or reduce customers' energy usage;
3. Eliminate overdue balances for program participants; and
4. Provide the customer with other beneficial services and/or programs through a network of local community-based organizations (CBOs or agencies).

### **1.6. Payment Plan Design**

A key feature of the OnTrack program is to establish payment plans based on the customer's ability to pay. To provide sufficient flexibility in the selection process and an appropriate payment plan, the computer system calculates a Percent of Bill and Minimum Payment plan option for each OnTrack participant. The system also has an Agency Selected (or custom) payment option for situations where the Percent of Bill or Minimum Payment option does not offer the best fit given the customer's situation.

For discussion purposes, it is important to note the difference between the Minimum Payment plan option that is calculated by PPL Electric's computer system versus the minimum payment control feature that is built-in to the



system. The Minimum Payment plan option is one of the three plans that an OnTrack customer could be placed on (discussed in more detail below), whereas the minimum payment control feature is a failsafe that does not allow a system user (e.g., OnTrack caseworker) to process a payment amount in the Agency Selected plan option field that is lower than \$30 for electric heat customers or \$12 for non-electric heat customers.

The table below shows the percent amounts that are used when the system calculates the Percent of Bill payment option.

Income Level (Percent of Poverty Level)	Percent of Bill Option Percentage Factor (Used Within The Calculation)
0% - 50%	50%
51% - 100%	70%
101% - 150%	80%

PPL Electric calculates the Percent of Bill payment by multiplying the estimated annual bill by the applicable percent of bill percentage factor (see table above), adding the \$60 annual arrearage co-payment (if the customer has pre-program arrearage), and dividing the total by 12 months in order to get the fixed monthly OnTrack payment (or installment) amount. The \$60 annual arrearage co-payment is broken up in \$5 monthly installments and is applied only to the pre-program arrearage balance for the account for which it was paid. The last step in this calculation is to add the CAP Plus amount to the installment amount (see page 7 and the CAP Plus table below). The estimated annual bill amount is defined as a rolling twelve-month view of the average actual bills. For example, if the average actual bill over the last twelve months equals \$150, the estimated annual bill used in the Percent of Bill calculation would be \$1,800 (\$150 x 12). The Percent of Bill calculation using the 51% to 100% income level would be  $\$1,800 \times 70\% = \$1,260$ .  $\$1,260 + \$60$  annual arrearage co-pay = \$1,320.  $\$1,320$  divided by 12 months = \$110 monthly OnTrack installment amount.

The Minimum Payment plan option amount is calculated by taking the customer's estimated monthly budget amount and subtracting the straight-line monthly OnTrack credit amount (i.e., \$185/month for an electric heat customer or \$73/month for a non-electric heat customer within the 101% to 150% income level), and adding the \$5 arrearage co-payment (if the customer has pre-program arrearage). For example, the Minimum Payment calculation

for a non-electric heat customer with a \$200 estimated monthly budget would be  $(\$200 - \$73) + (\$5) = \$132$ . The Percent of Bill and Minimum Payment options provide an automatic adjustment mechanism for gains or losses realized due to a customer's electric generation shopping choice.

The third payment plan option is Agency Selected Payment (ASP). This is a blank field where the caseworker enters a custom amount that is less than the Percent of Bill amount. The ASP plan takes into account extenuating circumstances that may be present within the customer's household and/or the financial situation the customer is facing. The ASP plan is also used to reset an OnTrack plan agreement after billing issues or account maintenance work is completed. Regardless of which payment option is selected for the customer, the system will not allow a payment amount to be lower than the minimum payment control feature of \$30 for electric heat customers or \$12 for non-electric heat customers, and will also have a control feature that will limit a customer's OnTrack payment consistent with the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines mentioned above.

The purpose is not simply to find the lowest payment amount; rather, the Company is trying to identify the payment amount that most closely matches the customer's ability to pay. PPL Electric believes that establishing a payment agreement amount that is too low results in greater costs for other residential customers who pay for the program through the USR. In addition, if a payment amount is selected that is too low and not in-line with the customer's ability to pay, the customer would risk reaching the maximum CAP credit amount. This situation would result in the customer being automatically transitioned to the OnTrack Budget Billing (OTBB) status. The OTBB standing in the program is still beneficial because the customer receives debt forgiveness and OnTrack credits (if applicable), but the customer's fixed monthly payment amount is increased from his or her normal OnTrack amount to their budget billing amount.

OnTrack evaluation work done by the Applied Public Policy Research Institute for Study and Evaluation has demonstrated that a reliable predictor of customers' success or failure is the difference between their OnTrack payment amounts and what they managed to pay prior to joining the program. In other words, if OnTrack payment plans are set too high, even though they are within the percentage of income guidelines, customers default because they cannot make the payments. This is particularly true for electric heat customers.

Compared with other electric utilities in Pennsylvania, PPL Electric has a high saturation of electrically-heated homes.

The 2015 average monthly bill for an electric heat and non-electric heat customer were \$181 and \$118, respectively. The average monthly OnTrack bill for an electric heat and non-electric heat customer were \$107 and \$67. The average OnTrack bill amounts mentioned above exclude the CAP Plus amounts that were added to customers' bills beginning in late 2011. The historical CAP Plus amounts are shown in the table below.

Time Period	CAP Plus Amount
November 2011 – October 2012	\$8.00
November 2012 – October 2013	\$5.00
November 2013 – October 2014	\$2.50
November 2014 – October 2015	\$4.00
November 2015 – October 2016	\$3.00

The CAP Plus amount stems from the Company's 2010 distribution rate case settlement (Docket No. R-2010-2161694). The purpose of CAP Plus is to help offset program expenses for all residential customers who pay for OnTrack through the reconcilable Universal Service Rider. The Company determines the CAP Plus amount by taking the total amount of LIHEAP funding received by OnTrack participants, dividing that dollar amount by the number of active OnTrack accounts as of September 30, and then dividing that annual amount by 12 months. The CAP Plus payment amount is applicable to all OnTrack participants and may change annually, as shown above, depending on the level of federal funding available for LIHEAP. PPL Electric includes the CAP Plus payment amount in the formulas for the Percent of Bill option and the Minimum Payment option. When the Agency Selected option is used, the CAP Plus amount is also included. OnTrack customers who have a credit balance due to a LIHEAP grant are exempt from the CAP Plus charge until they have exhausted their credit balance.

PPL Electric offers three payment plans approach for the following reasons:

1. The three payment plan design provides a simple model and sets the foundation for the core component of the program, but it also provides some flexibility for customers. Having three payment options relieves the "one size fits all" approach. PPL believes each household could present different situations, and having some flexibility regarding the payment amount allows the Company to take these situations into consideration.

2. The payment plan design is understood by customers and stakeholders. The calculations behind the payment plans do not include complex algorithms or assumptions, thereby making the OnTrack payment amounts relatively easy to understand.
3. All the payment plan designs result in a fixed monthly payment amount for the customer. Previous research conducted by Opinion Dynamics and APPRISE indicated the fixed monthly payment is a feature that OnTrack customers prefer and is tied to success, meaning retention, in the program.
4. One of the primary objectives of OnTrack is to improve customers' bill-payment habits. The ability to offer three payment options and select the one that fits the customers' circumstances should help increase on-time payments.

## **2. Eligibility**

### **2.1. Eligibility Criteria for Participation in the Program & Removal Requests**

OnTrack offers qualified customers payments less than their current bills, arrearage forgiveness and a chance to get a fresh start with PPL Electric. In addition, the Company coordinates referrals with other low-income assistance programs such as WRAP, Operation HELP, LIHEAP, as well as other programs administered by the CBOs that administer OnTrack.

PPL Electric designed OnTrack specifically for low-income customers with household income at or below 150 percent of the poverty level who are unable to pay their electric service bills in full. Eligibility criteria for OnTrack include:

1. The household must be at or below 150 percent of the poverty level.
2. The household must have a source of income or provide a form explaining their income situation. This form, and the parameters around it, will be submitted as an addendum within 60 days of plan approval. In the past, PPL has seen the topic of a customer claiming zero income to be one of confusion. In order to clarify zero income claims the Company will follow these guidelines, but is open to making exceptions for households based on specific circumstances.
  - a. The OnTrack application has wording that tells the customer to specify income, even if the income is unearned. Unearned income can come in the form of government assistance (temporary or long-term), public assistance grants, money from friends or relatives, and other one-time lump-sum payments. Examples include:

Temporary Assistance for Needy Families (TANF); Diversion Program; State Blind Pension Program; Refugee Cash Assistance Program; and State Supplementary Payments. Support payments that are actually paid to the household can be included if verified and documented as such. When a customer's only source of income is unearned income of this type, a simple self-declaration statement needs to be submitted with the OnTrack application. This self-declaration statement does not need to be notarized. This statement is essentially the proof document that tells the Company how the customer is paying for basic living needs such as food, shelter, personal items, etc.

3. The customer applying cannot own or be listed on multiple properties/multiple PPL accounts.
4. The customer must permanently reside in PPL's service territory.
5. The customer applying may or may not have an overdue balance owed to PPL.
  - a. The standard operating procedure (SOP) for new enrollees is for the enrollee to have an overdue balance amount. However, PPL realizes there are situations where new enrollees may be in need of the program and have a balance amount of zero. These zero balance households will be considered eligible for the program, but the Company will not target these zero balance households as a part of its normal business procedure. Specifically, this means the PPL referral system will be set up to find potential good fits and the overdue balance amount indicator will be one of the attributes. However, the program management team has the flexibility to change this operating procedure/setting at any point throughout the year based on items such as trends within the PPL service territory (i.e. payment habits or data across the low-income population), customer/program needs, interests from stakeholders, or current issues facing the Company or the low-income population.
  - b. This part of the eligibility criteria allows the Company to serve and target those who are in most need of the program. For definition purposes, new enrollees are customers that could have been previously enrolled in OnTrack or they could be entering the program for the first time. For example, a household enrolled in May 2013, removed in May 2014, but re-enrolled in May of 2016 would be considered a new enrollee in the program.

There are a few notable differences between the eligibility criteria discussed above and the criteria from the prior 2014-2016 USECP. First, the prior USECP stated the customer must have a source of income but did not go into any further detail regarding that rule. The current USECP provides more insight

regarding how the PPL program management team will deal with zero income situations when they arise.

Second, the prior 2014-2016 USECP stated the customer must be payment troubled and defined payment troubled as having entered into a payment arrangement with the Company within the past 12 months. The existence of a payment arrangement also means the customer has an overdue balance owed to PPL, even though the prior 2014-2016 USECP did not specifically state that using the words “overdue balance.” The current USECP has eliminated the overdue balance requirement and has provided some specifics regarding the standard operating procedure that will be followed by the Company. The Company will generally target customers with an overdue balance, but as the need changes, so will this standard procedure.

Third, the prior 2014-2016 USECP eligibility section discussed how OnTrack graduates are able to reapply to the program after a certain amount of time has elapsed. This item is not discussed in the current USECP because PPL has eliminated the graduation process. Under the prior USECP, at the recertification point a caseworker would follow general rules of thumb in order to determine if the customer could be removed from the program (graduated). In order to make this decision, the caseworker would review information such as payment history and compare the OnTrack installment amount to the budget bill amount. If the customer displayed good payment habits and the OnTrack installment amount was close to the budget bill amount (defined as around 10%), the customer may be graduated from the program. At that point, the customer would be placed on the budget billing program or be required to pay the full actual bill amount each month. The Company has eliminated this graduation process because it believes the low-income population will always face challenges when it comes to meeting financial obligations. As a result, PPL has shifted its approach to having the customer request removal from OnTrack. At any point during enrollment in the program, the customer may request removal from OnTrack. This request could come in the form of a verbal or written request. The customer could make the verbal request for removal by contacting the PPL Contact Center (CC), or the CBO. Written requests via a hard copy letter could be sent to the PPL CC or the CBO. The PPL CC address is 827 Hausman Road Allentown, PA 18104. Online requests could be submitted at the following location: <https://www.pplelectric.com/my-account/web-contact-us.aspx>. The customer will receive a confirmation letter or email reply once he or she has been removed from OnTrack.

Fourth, the prior 2014-2016 USECP did not include a control feature for the Agency Selected Payment option. This new feature will ensure that the

customer's OnTrack amount falls within the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines.

Finally, the company has increased the maximum allowable duration for OnTrack Lifestyle (OTLS). OnTrack Lifestyle will be discussed in more detail, in Section 2.3. OnTrack Lifestyle is a special program feature for customers with housing expenses that exceed income. The maximum duration was previously six months under the Company's 2014-2016 USECP. Customers in OTLS must submit their updated income information every nine (9) months. This provides a check-up for the customer, which ensures that the Company is accurately documenting their income situation and aligning their payment with the most recent information.

## **2.2. Determining and Calculating Income**

Caseworkers count all OnTrack applicant household members, regardless of relationship, when determining household size and income. Caseworkers will include Social Security Income (SSI) or Social Security Disability (SSD) received for children as household income. In determining household income for a self-employed potential OnTrack customer, the CBO caseworkers follow the Pennsylvania Department of Public Welfare's LIHEAP guidelines. These guidelines are included in DPW's annual LIHEAP State Plan.

### **2.2.1. Income Counted**

To determine the income level for a customer, the CBO must count income of the following persons:

1. The household members, regardless of relationship. This could include household members who are related by blood, marriage, or adoption as well as household members who are not related.

### **2.2.2. Income Documentation**

Income documentation requirements (referred to as proof or proof of income) refer to the specific paperwork submitted by the customer to the agency via U.S. mail, fax, or email. This documentation is used by the agency caseworker for purposes of calculating household income and determining if the customer is eligible (or not) for the program. Income documentation could include pay stubs from employers, pay stubs from government organizations, self-declaration statements describing money received from family or friends, bank

statement showing direct deposit information, or official tax return documents. If the customer is self-employed or owns a small business, the income documentation must include a copy of the latest federal income tax return and net profit (not gross income) will be used to determine eligibility.

### **2.2.3. Income Defined**

The following income definitions are in line with the Pennsylvania Department of Human Services Low-Income Home Energy Assistance Program (LIHEAP) guidelines. Income is the total earned and non-earned income of a household and includes the following:

1. Employee earnings: Employee earnings are money, including wages, salaries, bonuses, commissions and tips, before taxes or other deductions that a person receives for providing services on behalf of an employer.
2. Profit from self-employment: Profit of a self-employed person is gross receipts minus costs of operating a business or farm, practicing a profession, providing day-care for children in an approved family day-care facility, or renting nonresident real property.
  - a. The following expenses are among those that are not deductible from gross receipts:
    - i. Depreciation.
    - ii. Personal business and entertainment expenses.
    - iii. Personal transportation.
    - iv. Purchase of capital equipment.
    - v. Payment on the principal of loans for capital assets or durable goods.
3. Income from roomers, boarders, or apartment renters: Gross income from providing room or board, or both, or from apartment rentals paid directly to a household member.
4. Unearned Income: Unearned income includes, but is not limited to, the following:
  - a. Public assistance grants.
  - b. Social Security benefits.
  - c. Workers' compensation (or disability).
  - d. Supplemental Security Income.
  - e. Unemployment compensation.
  - f. Support payments (child, foster care, spousal, etc.).
  - g. Cash gifts and contributions.
  - h. Pensions.
  - i. Interest and/or dividends from investment or bank accounts.
  - j. Veterans' benefits.



- k. Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates.
  - l. Disability.
  - m. Money/income received from a family member or friend. This type of income must be documented with a simple statement. The statement does not need to be notarized.
  - n. Social Security Income or Social Security Disability received for a child.
5. A loss from one source of income cannot be used to offset another source of income.

### **2.3. OnTrack Lifestyle Feature (OTLS)**

There is a special household situation where the Company will enroll a customer into OnTrack but require the customer to update their income information every nine months. The Company refers to this special situation as OnTrack Lifestyle (OTLS). The purpose of the Lifestyle feature is to address situations where customers' incomes are less than or equal to their mortgage payments or rent, but they are not in foreclosure or facing eviction. If a customer is facing foreclosure or eviction he/she will not be eligible for OTLS. In effect, customers reported that they did not have enough income but somehow managed to pay their mortgage/rent and OnTrack payments. This gave rise to concerns that customers might not be reporting all sources of household income or other resources.

The purpose of OnTrack Lifestyle is to provide a check-up for the customer, which ensures that the Company is accurately documenting their income situation and aligning their payments with the most recent information. As long as a customer continues to update their income information every nine months, and they still meet the income requirements, he or she can remain in the program.

### **3. Potential Participants & Needs Assessment**

Matching the proper assistance program with each potential applicant is an overriding objective in PPL Electric's administration of the Universal Service Programs. PPL Electric personnel, as well as the community-based organizations that cooperate with the Company in administering these programs, seek to ensure that eligible residential customers have an opportunity to successfully maximize the benefits available to them via OnTrack, WRAP, Operation HELP, LIHEAP and other related programs.

PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>2</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

It is important to note that not all of these low-income customers would be eligible for OnTrack for several reasons. Some examples are:

- Some customers will be over 150% of the FPL if they were asked to provide proof of actual income; this could be timing-related (change in jobs, working hours, pay rate, etc.)
- Some will not be payment-troubled and/or have an overdue balance,
- Some live in master-metered apartments,
- Some are hard-to-reach (language barriers, access to technologies, handicaps, etc.), and
- Some choose not to participate in PPL's programs.

The Company's past performance indicates the following (data 12/31/15):

- On an average monthly basis, PPL has approximately 1,226,000 residential households. Of this total, the Company estimates a low-income household (monthly average) of approximately 174,000<sup>3</sup>. This is an internal estimate based on previously supplied financial statement information by the customer and includes data for customers with incomes up to 150% of FPL.
- Of the 1,226,000 households, approximately 47,500<sup>4</sup> (or 4%) per month had an overdue balance and were on a payment arrangement. Of the 174,000 low-income households, approximately 27,700<sup>5</sup> (or 16%) per month had an overdue balance and were on a payment arrangement.

To assist those most in need, PPL Electric regularly identifies and contacts residential customers who meet the income guidelines and have overdue

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<sup>2</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.

<sup>3</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

<sup>4</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

<sup>5</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

balances. Depending on factors such as ability to pay, payment history and extenuating circumstances, the Company routinely refers these customers to OnTrack, Operation HELP, CARES, and LIHEAP.

### **3.1. Referrals / Enrollment**

PPL Electric has found that the primary source of potential OnTrack participants is referrals from the Company's Customer Service Representatives ("CSRs") and/or Customer Service contractors. CSRs have daily contacts with low-income, payment-troubled customers with overdue balances and routinely refer these customers to the CBOs that administer the program. During 2015, for example, the referral process generated approximately 200,000 referrals to OnTrack administering organizations prompted by information provided by customers.

PPL Electric developed an online application which was designed and created with the customer in mind. In addition to making applying easier for the customer, the process also shortens wait times by eliminating mailing delays with paper applications. To apply, the customer goes to [www.pplelectric.com/OnTrack](http://www.pplelectric.com/OnTrack). The customer navigates through an intuitive series of screens providing the information to determine eligibility into the OnTrack program. The customer has the option of uploading their proof of income, or mailing this information in to the agency who implements the program in their area. The online system provides the customer with the name and contact information, including email address, for the agency in their area if they decide to mail in their proof of income or if they have any questions. Applications are automatically routed to the agency who implements the program in the customer's area. The agency reviews the application and processes for enrollment.

The Company takes steps to contact hard-to-reach customers within its service territory. A team of employees within the Customer Services Department is responsible for communicating the Company's programs and services offerings at local events such as senior citizen fairs, community events, and school events. Employees engage with participants at these events, educate customers about program benefits, and provide program information. PPL Electric also has a language phone line to communicate with customers in approximately 170 languages.

In addition, other sources of potential participants may include internal lists, OnTrack CBOs, LIHEAP-based data, and information from other PPL programs.

## **4. Control Features**

### **4.1. Recertification after 18 Months**

The normal program timeline is 18 months. A new enrollee will enter the program and receive a payment plan amount based on his/her ability to pay. Ability to pay means the enrollment and screening process takes into account the customer's current financial situation and household size. Based on these factors, the CBO caseworker selects a payment amount that appears to set the customer up for success in the program. Success in the program is primarily defined as making on-time payments, eliminating any pre-program arrears (overdue balance), and preventing additional arrears from accumulating.

At month 17 the recertification process begins. The system reviews OnTrack accounts and looks for accounts that qualify for automatic recertification. Accounts that qualify for automatic recertification are those that have received LIHEAP funds within the past 16 months or have Supplemental Security Income (SSI) as the primary source of income. Accounts that meet the automatic recertification criteria will be recertified for another 18 months in the program at the same OnTrack installment amount. This automatic recertification feature will not occur two consecutive times. At month 18, accounts are reviewed again for automatic recertification. This second review is completed in order to identify any accounts that may have recently received a LIHEAP grant. OnTrack Budget Billing accounts are also eligible for automatic recertification as long as they have received LIHEAP in the last 16 months or have SSI as their primary source of income. When OTBB customers are automatically recertified, they will return into regular OnTrack at the conclusion of their 18-month program cycle.

A program cover letter and application is sent to customers who do not qualify for automatic recertification. The CBO caseworker completes the recertification review for the customer, sets up the new OnTrack installment amount, and sends the customer a post enrollment package with information about the program and his/her payment amount. Customers remain enrolled in the program even after the pre-program arrears (overdue balance) have been forgiven.

Under the Company's previous 2014-2016 Universal Service and Energy Conservation Plan, some customers were graduated, meaning removed, from the program. This program feature no longer applies because the Company believes limited-income customers face ongoing challenges meeting their financial obligations. Providing a reduced energy burden alleviates some of this pressure on the customer while avoiding potential collection costs that will be borne by the Company and, ultimately, ratepayers. The Company's OnTrack program is available for any customer who meets the eligibility criteria as described in Section 2.1. Prior enrollment in the program is not a disqualifying factor. If the customer is removed before the full 18-month term, the OnTrack Budget Billing process will ensue (see Section 4.2 below for more detail), but the customer is still eligible to re-enroll in OnTrack at the end of the 18-month timeline if they are not automatically recertified based on the criteria above. In addition, if a customer was previously enrolled in the program in prior years but still meets the eligibility criteria, he/she will be eligible for enrollment. Any pre-program arrears that may have been accumulated while not enrolled in the program will be forgiven during his/her time as an active member in the program.

#### **4.2. Minimum Payment Amount & Maximum CAP Credits**

The minimum payment control feature within the system will not allow a monthly payment amount to be less than \$30 for electric heat customers and \$12 for non-electric heat customers. The maximum 18-month revenue shortfall amount (also referred to as CAP credits or benefits) for electric heat customers and non-electric heat customers are shown in the table below and are different based on where the customer falls within the three tiers of the Federal Poverty Level (FPL) and whether the customer has electric heat.

FPL Tier/Level	Account Classification	Maximum Credit Amount That Could Be Used Over 18 Months
0% to 50%	Electric Heat	\$4,027
51% to 100%	Electric Heat	\$3,661
101% to 150%	Electric Heat	\$3,328
0% to 50%	Non-Electric Heat	\$1,585
51% to 100%	Non-Electric Heat	\$1,441
101% to 150%	Non-Electric Heat	\$1,310

The program design does not restrict customers from using these maximum amounts in a fixed or straight-line fashion. Customers who are active in the program will have different revenue shortfall amounts each month because the actual revenue shortfall amount will be calculated by taking the actual bill amount minus the (fixed) OnTrack installment amount.

If a customer exceeds these maximum credit amounts before the 18-month point, the customer will be automatically moved to a program status referred to as OnTrack Budget Billing (OTBB). When this occurs, the OTBB activation letter is sent to the customer and informs him/her of this change in status. The OTBB activation letter also informs the customer that PPL Electric will automatically send a program application when the time comes for recertification/re-enrollment, which is 18 months from the original enrollment date in OnTrack, unless the customer has SSI as their primary source of income or they have received LIHEAP in the last 16 months. If so, they will be automatically enrolled.

The customer will receive a letter when the pre-program arrears amount (overdue balance) is at zero. This point in time also corresponds to the recertification point. This letter, referred to as the *OTBB All Is Forgiven* letter, recaps the customer's transition from traditional OnTrack to OnTrack Budget Billing. The end of the letter states that all of the overdue balance has been eliminated, but PPL still wants to help you by re-enrolling you in OnTrack at a payment amount that is lower than what you are currently paying. The customer is informed that a program application has been mailed in a distinctive gold-colored envelope.

These tiered maximum CAP Credit limits will be implemented to all OnTrack customers within three months upon final approval of the 2017-2019 USECP.

#### **4.3. Default Design: Removal for Non-Payment & Reinstatement**

The Company designed the OnTrack program with the idea of balance in mind. PPL Electric believes the energy burden reduction needs to be balanced against the need to hold limited-income customers accountable for making on-time payments. The Company's billing system runs on a chronological billed, due, review cycle. Actual payments received are woven into this cycle to determine how to treat the account. Essentially, this means the system bills the customer, waits for the due date, and then reviews the account to see if any additional actions are needed based on what was billed versus payments actually received. The billed amount is also shown as the Pay This Amount on PPL's bill. Once a customer is enrolled in OnTrack, the system will be looking

for the OnTrack installment amount, plus any missed installments when the review moment occurs. At review, based on this aforementioned criteria, if the customer is behind he or she will either enter collections, or, if two or more installments behind, be removed from the program for non-payment (also referred to as defaulted).

If a customer is removed from the program due to non-payment, a letter is sent explaining what happened and the catch-up opportunity window opens. The catch-up opportunity window begins at the time of default. The OnTrack catch-up amount is the difference between what the customer should have paid (the billed OnTrack installment amounts) and the payments actually received from the customer.

When the customer submits a payment that is equal to the OnTrack catch-up amount, the Company's system will automatically re-enroll the customer back into the program at his/her prior OnTrack installment amount. In addition, any revenue shortfall and arrearage forgiveness credits are posted (credited) to the customer's account after the OnTrack catch-up amount is received. The system will also automatically reverse any previously billed late payment charges that may have been incurred by the customer during the catch-up window timeframe. These reversed late payment amounts will be shown as credits on the customer's account statement. Essentially, the payment of the OnTrack catch-up amount during the opportunity window restores the customer back into the program as if he/she never left.

If a previously active OnTrack customer is removed from the program for non-payment and the electric service is terminated, the OnTrack catch-up amount will also represent the reconnect amount for the customer at any time during the 18 month program cycle.

One missed payment may result in the customer entering the collections process. An exception to this process is an active OnTrack customer who misses a payment of less than \$60. No collection activity will ensue for a missed payment of less than \$60. There is a distinction between missed installments equaling two or more and resulting in a default status (explained in detail above) versus a customer who misses one installment of \$60 or more. Since the program is designed with on-time payments as a component of customer accountability, one missed payment may lead to electric service termination during non-moratorium months. If an active OnTrack customer falls into the collection process after one missed payment and has his/her electric service cut, the reconnect amount will be equal to the missed OnTrack payment amount.

The Company has messaging in place to remind customers of the benefits of paying the bill by the due date. Five (5) days before the due date, the Company's system will deliver a short reminder phone call to the customer. In addition, if the customer misses one payment, a letter is sent and informs the customer about the missed payment. This letter also discusses the possibility of entering the collection process and having the electric service terminated.

#### **4.4. Other Reasons for Removal from OnTrack**

As previously discussed, the most common reason for removal from the program is due to missed payments. Other less common situations that may result in removal include the following:

1. Customers who failed to provide access to their meters may be removed. Reinstatement to OnTrack will occur when the Company confirms that the customer has provided access to the meter.
2. Customers who fail to provide the necessary proof of income during the recertification process. Reinstatement to OnTrack occurs if the customer responds to the contact(s) made by caseworker and provides the necessary proof of income information.
3. Customers who request removal from the OnTrack program may be removed at any time. If the customer requests reinstatement, they are given the opportunity to catch-up on any outstanding OnTrack payments at any time during the 18-month cycle.

#### **4.5. Energy Burden Control Feature**

The Company has a built-in safety net that will not allow a customer's OnTrack installment amount to be more than the appropriate percent of his/her monthly gross income based on the maximum energy burden levels listed in the CAP Policy Statement. This control feature is a ceiling used by PPL's system behind-the-scenes as payment plan options are being calculated. The system calculates all of the possible plan types and if all of those payment amounts produce a number that is higher than the appropriate percent of the customer's monthly income based on the maximum energy burden levels listed in the CAP Policy Statement, the system implements the corresponding percent of income in order to calculate the OnTrack installment amount.

#### **4.6. Recalculating OnTrack Customers that Move**

Under the Company's previous 2014-2016 USECP, when an OnTrack customer moved from one residence to another, their OnTrack amount was only recalculated if their heat source changed from electric to non-electric,



or vice versa. In the 2017-2019 USECP, the OnTrack amount will be recalculated at the new address regardless of a change in heating source.

#### **4.7. Weatherization, Energy Education & Consumption**

OnTrack administering agencies and/or WRAP contractors are responsible for providing energy education information to program participants. The material provided to OnTrack customers at the time of enrollment explains the customer's responsibility for not exceeding the OnTrack credit amount. The energy education material distributed by the agencies also provides the customer with energy conservation tips and recommendations for controlling and/or decreasing their electricity consumption.

Energy conservation education plays an important role in helping OnTrack customers achieve success in the program. Through the OnTrack and the Winter Relief Assistance Program (WRAP) partnership, PPL Electric attempts to increase customers' awareness about using energy wisely and to offer ideas for reducing kWh consumption. Specifically, customers may receive consumer education in the following areas:

- Energy conservation tips
- Electric bill and analysis of usage
- Light-emitting diode (LED)
- Promotion of PPL Electric's online Bill Analyzer tool

PPL Electric channels this aspect of the program through WRAP, which is a partnership program that helps qualified customers reduce their energy use, lower the amounts of their electric bills, and make their homes more comfortable year-round.

The Company offers WRAP to OnTrack customers who have electric heat or electric water heating, as well as baseload customers who have the potential to receive energy-saving measures. Under the umbrella of Universal Service Programs, the Company provides weatherization measures, specifically approved appliance replacements and energy conservation education services to qualified customers. All installed measures must meet the PUC's payback criteria. Weatherization activities for WRAP include energy audits, infiltration control, insulation measures, water heating treatment, appliance replacement, and energy education.

The Company's normal business process does not give any sort of preference or priority to OnTrack customers who are seeking or waiting to receive WRAP services. However, the Company will accelerate WRAP activities if the customer or caseworker reaches out to PPL Electric and makes such a request. The Company takes proactive steps regarding WRAP outreach activities for newly enrolled OnTrack customers. As a part of its normal business process, PPL Electric contacts new enrollees and encourages them to apply for WRAP services. The preference order for this outreach contact work is to contact new enrollees with the highest usage before enrollees that are showing a lower usage amount. By June 2018, the Company will implement an automatic WRAP enrollment process for OnTrack customers with high usage.

It is not PPL Electric's intent to make WRAP services available only to OnTrack customers at the expense of other deserving customers. However, the Company believes that expediting a WRAP services request from an OnTrack customer may result in greater post-weatherization savings due to strong interest from the customer.

WRAP has incorporated the OnTrack high-energy usage approach as a best practice. In addition, PPL Electric provides energy education for OnTrack customers who are ineligible for WRAP. This includes households that received WRAP within the past seven years and homes that do not receive property owner consent.

#### **4.7. Advisory Panel**

PPL Electric will establish a universal service stakeholder group that meets at least twice per year. The intent of the stakeholder group is to improve PPL's universal service programs through sharing information and inviting feedback.

### **5. Customer Encouragement & Responsibilities**

Success in the OnTrack program demands focus from the customer and the Company. PPL Electric is committed to providing the customer with all the information, education material, and tools to make on-time payments and control energy usage. In many cases, the customer needs to change existing habits that will keep his or her payment plan current and the usage under control. To further strengthen this partnership between the two parties, the Company attempts to partner other services that may help the customer remain in the program.

Since applicants can choose where to send their LIHEAP payments (primary or secondary fuel vendor), eligible OnTrack participants are encouraged to apply for LIHEAP and to direct the grant to their electric bill. The Company will conduct outreach mailings to eligible participants to encourage increased awareness of LIHEAP. The Company will continue to have its management team meet with the CBOs and evaluate current issues facing OnTrack customers and, in some cases, develop action plans that could minimize or eliminate these concerns. Participation in programs such as weatherization, energy conservation education, budget counseling (provided by some agencies depending on location) and other related services are some of the other opportunities available to OnTrack participants.

The case management approach for the OnTrack program requires the coordination of both internal and external resources. These resources allow OnTrack customers to have a greater degree of control over their lives. The CBOs provide a post-enrollment package that contains all of the key information and actions the customer should take to remain in the program.

Some of the more specific customer responsibilities that will lead to success in the program are below. The failure to complete some of these responsibilities may result in removal from OnTrack. Reinstatement back into OnTrack will occur after the customer fulfills his/her responsibility.

1. Respond promptly to OnTrack program referrals and/or recertification requests by completing the program application and providing income documentation/proof for all household income.
  - a. There is an exception. If a potential enrollee received a LIHEAP grant within the last 16 months there is no need to provide proof of income with the application.
2. Make on-time payments while enrolled in OnTrack. One or more missed payment could result in collection action and the loss of electric service. Being behind and/or late two or more installments will result in removal and automatic reinstatement back into the program will occur if all missed payments are made.
3. Contact the CBO if there is a change in household size and/or income.
4. Use energy wisely. This includes partnering with WRAP and taking other actions that attempt to control or lower electricity consumption.
5. Follow requests for information and/or appointments associated with WRAP. The failure to fulfill WRAP-related requirements may result in removal from OnTrack and reinstatement back into the program will occur after the requirements are fulfilled.

6. OnTrack program participants must provide access to their electric meters. Failure to provide access to the meter may result in removal and reinstatement will occur once access is provided.
7. Follow applicable provisions outlined in 52 Pa. Code § 56.116 for OnTrack customers with medical certifications: “Whenever service is restored or termination postponed under the medical emergency procedures, the ratepayer shall retain a duty to equitably arrange to make payment on all bills.” If an OnTrack customer fails to comply with this provision, the Company may remove the customer from OnTrack and advise the customer to establish a regular payment agreement.
8. Review the post-enrollment package and all customer letters/emails sent by PPL Electric. The customer should contact the CBO office or PPL Electric if he/she has any questions. The guidelines below provide direction regarding what office to contact (CBO or PPL). If the customer contacts the wrong office, the office representative helps to re-direct the customer.

Topic, Subject, Issue	Who To Contact
Change in household situation. Includes change in household size, income, and/or special situations.	CBO
Customer request to be removed early from the program.	CBO
Questions regarding the status of the application submitted (new enrollee or recertification).	CBO
Questions related to the following: <ul style="list-style-type: none"> <li>• Billing (usage, suppliers, budget billing, etc.)</li> <li>• Payment</li> <li>• Collections and termination</li> <li>• Account maintenance</li> <li>• Help with online profile</li> <li>• How OnTrack works</li> <li>• Moving, transferring, or disconnecting service</li> <li>• Power outages</li> <li>• Property Damage</li> <li>• Tree Trimming</li> </ul>	PPL Electric

## **6. Financial Posting Order for LIHEAP Funds & OnTrack Credits**

PPL Electric Utilities is an authorized LIHEAP vendor. The Company receives and posts LIHEAP funds to customer’s accounts. The Pennsylvania

Department of Human Services (DHS, formerly DPW, Department of Public Welfare) has determined that utilities cannot use LIHEAP cash grants to offset the costs of OnTrack credits (i.e., the difference between actual bills and OnTrack payments). As a result, the financial posting order for LIHEAP cash or crisis grants is as follows:

- Missed OnTrack payments
- Current OnTrack bill due
- Payment of future OnTrack bills

If the OnTrack customer has a current account (defined as zero overdue money), any remaining LIHEAP grant monies will appear as an excess credit on the customer's account. The customer is not required to make his or her monthly OnTrack payments until the LIHEAP credit is exhausted. PPL Electric will not apply any of the LIHEAP cash or crisis grants to offset the cost of the OnTrack program.

Section 4.3 reviewed the program design criteria for the chronological order of billed, due, and account review within PPL's system. Payments received by the customer are woven into this timeline in order to determine if the Pay This Amount on the bill has been satisfied or not. The Pay This Amount is also referred to as the scheduled amount/installment. When an OnTrack customer pays their normal OnTrack amount, they are responding to the bill's Pay This Amount. Basically, this means they are current or they need to catch-up with program payments they are required to make as part of the agreement, via the bill.

If the customer keeps making his/her scheduled payments the account balance continues to reduce through arrearage forgiveness credits. There are instances where a customer pays exactly what should be paid, but the correct scheduled payments by the customer exceed the balance of the account. When this occurs, the system is designed to create an OnTrack Overpayment (OTOP) excess credit.

The OTOP credit is created when these current or accumulated balance overpayments for an active OnTrack customer cause the account balance to be reduced to less than \$0. For example, a customer has an OnTrack installment amount of \$100, which is reflected as the Pay This Amount on the bill and the account balance is \$55. The customer pays \$100. The system will create an

OTOP credit of \$45 (\$100 - \$55). This \$45 OTOP credit will be applied to the future Pay This Amount (scheduled payment), as shown on the bill.

## **7. Effective Practices**

Staff from the PUC's Bureau of Consumer Services and PPL Electric discussed recommendations and findings regarding the latest six-year evaluation of the Company's Universal Service Programs. The Company has already implemented key findings that will add value to the program. In addition, PPL Electric is continually evaluating possibilities that will improve program design and delivery.

The PPL Electric management team and the OnTrack CBOs have demonstrated a capacity to administer the program; however, the management team is committed to finding new solutions and implementing features to improve the customer experience and to keep administrative costs at a reasonable level. In 2015, the administrative costs, as a percentage of total program costs, were approximately three percent (excluding internal PPL expenses). Below is a brief sample of recent or planned program improvements.

1. The Company transitioned most OnTrack-related calls/inquiries to a dedicated team of contractors. This allowed the Company to deliver training to a smaller team of phone agents and work on escalated issues through a focused and more direct channel.
2. The management team regularly delivers refresher training to the existing staff of CBO caseworkers. Specific scenarios are addressed and program memos are developed in order to document talking points and suggested follow-up actions.
3. The management team is developing preliminary plans to offer a total web-based enrollment and screening system to customers. This system will streamline existing processes, provide transparency throughout all stages of the process, and improve the existing data tracking and analysis tools.
4. The management team implemented a "You Were Recently Referred" reminder call. This call is made to customers who were recently referred (within the past week) and tells them to watch for a gold envelope that contains the application.
5. At the initial program application and enrollment stage, the customer does not need to provide proof of income if he or she received LIHEAP funds within the last LIHEAP program year.
6. If the customer's account shows LIHEAP funds posted within the last heating season (defined as the last 16 months to include situations when

currently in a heating season), the Company's system will automatically recertify the customer for another 18 months in the OnTrack program at the same payment amount. This automatic recertification will not occur two consecutive program timelines, which are defined as 18 months. For example, if automatic recertification due to the receipt of LIHEAP funds has taken place, this automatic feature will not occur at the next recertification point. The agency will request proof of income to evaluate the payment plan and update information during this manual recertification process.

7. If the customer's main source of income is Supplemental Security Income (SSI) and the most recent income statement is less than 375 days, the Company's computer system will automatically recertify the customer for another 18 months in the OnTrack program at the same payment amount. This automatic recertification will not occur two consecutive program timelines, which are defined as 18 months. For example, if automatic recertification due to SSI income has taken place, this automatic feature will not occur at the next recertification point. The agency will request proof of income to evaluate the payment plan and update information during this manual recertification process.
8. Utilize analytics/reporting tools to identify customers who received LIHEAP but are not enrolled in OnTrack. These customers are contacted and enrolled in OnTrack over the phone.
9. Utilize analytics/reporting tools to identify and reach out to customers who have not interacted with the Company and who are currently not in the program. The attributes within the system identifies these customers as good candidates for the program.
10. Team members regularly review customer-facing information, such as program letters and emails, for clarity and purpose. For example, the post-enrollment package was updated with a more appealing design and easier-to-understand wording.
11. OnTrack program information is included within termination notices, as a part of the normal collections process. This wording informs the customer about the availability of OnTrack and the benefits.

## **8. Shopping for Electric Generation Supply**

PPL Electric supports the opportunity for an OnTrack customer to shop for an Electric Generation Supplier (EGS). The Company's Default Service Plan IV discusses the specific process design and philosophy regarding OnTrack shopping (Docket Number P-2016-2526627). This document could be found by using the PUC's *Search For Public Documents* tool located at [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx](http://www.puc.pa.gov/about_puc/search_results.aspx). As of June 1, 2017, the only way for OnTrack customers to shop for their electricity is to enroll in CAP SOP. This special OnTrack shopping program allows OnTrack customers

to shop from an electric generation supplier at a discount of 7% off of PPL's price to compare.

## **9. Appeal Process**

OnTrack participants maintain all their PUC dispute and complaint rights as outlined in 52 Pa. Code Chapter 56. Clearly, PPL Electric does not accept all applicants and it removes others for not completing one or more of the customer responsibilities, as outlined in Section 5. For those who believe they were treated unfairly, the following appeal procedures are available.

### Step 1:

The applicant discusses his or her rejection/dismissal from the program with the regional Regulatory Programs Specialist, who investigates the reasons for rejection or dismissal.

### Step 2:

If the customer is dissatisfied with the results of the discussion with the regional Regulatory Programs Specialist, he or she may file a complaint with the PUC.

## **10. Projected Participation Levels**

PPL Electric will continue to work with internal and external resources in order to identify, engage, and enroll eligible customers. Projected participation levels are in the table below.

Program Year (as of the end of December)	Active OnTrack Households (Target/Estimate)
2017	57,000
2018	62,500
2019	67,500

## **11. Project Funding Levels**

PPL Electric projects the following level of expenditures for OnTrack from 2017 through 2019. These projections include the core component costs of revenue shortfall (OnTrack credits), arrearage forgiveness, and external administration. These expenditures do not include PPL Electric's internal costs.



Program Year (January – December)	Project Program Expenditures (millions)
2017	\$106 M
2018	\$118 M
2019	\$129 M

## 12. Resource Plan

PPL Electric uses a combination of internal resources, contractors, and CBOs to manage and deliver the OnTrack program. The PPL Electric management team of six employees consists of one Program Manager and five Regulatory Program Specialists. The Program Manager is responsible for the design and implementation of OnTrack and has the primary responsibilities of creating program strategy, developing operational and financial plans, preparing communications, and coordination external and internal resources. The Regulatory Program Specialists are primarily responsible for individual case management support and auditing/quality assurance.

Other internal resources, such as administrative employees, training staff, Customer Services supervisors, and analysts provide support functions for program communications and changes that need to be managed over the course of the year. PPL Electric utilizes call center contractors to handle most types of OnTrack-related phone calls. The Company uses Customer Service Representatives (CSRs), Universal Service Representatives (USRs), and call center contractors to handle the daily/weekly account-level work that needs to take place after an OnTrack customer contacts PPL Electric. For example, CSRs or USRs will handle any account maintenance work including items such as: billing issues, payment issues, explaining OnTrack plan details, issuing referrals, customers who fall into the collections process and rate class investigations.

CBOs and other contractors also play a critical role in the delivery of the OnTrack program. PPL Electric will continue to use CBOs for eligibility screening, enrollment and recertification. The screening and enrollment work involves tasks such as, assessing documentation submitting by the potential enrollee, determining eligibility, and establishing the OnTrack payment plan in the system. The CBO staff completes similar tasks for customers during the recertification stage. The Company utilizes other contractors to execute special projects, such as targeted outreach, phone enrollment, and customer education.

CBOs enroll and maintain customers on-line in real time through direct connections with PPL Electric's Customer Service System (CSS). The Company has provided appropriate letters to aid in customer contact, along with the necessary training in the use of CSS and the administration of OnTrack. The Company has given this information to each agency and their caseworkers in a comprehensive manual entitled *OnTrack Payment Program Procedures and Processes*. The list of OnTrack agencies, phone numbers and counties served follows. Presently, the CBO network of eight (8) organizations encompasses 54 employees located at sites throughout PPL's eastern Pennsylvania service territory. Within this team of 54 employees, there are eight (8) CBO supervisors. The staffing levels at the CBOs may vary throughout the year based on workload demand and program needs.

#### **14. How to Apply**

There are multiple options for a customer to initiate the screening process for the OnTrack program. These options include the following:

1. During the payment assistance (phone call) interaction with the PPL contact center if the customer appears to be a good fit for the program, the system will automatically alert the CSR and a program application will be sent to the customer. The CSR will inform the customer that a program application is on the way.
2. The customer could call PPL directly at 1-800-342-5775 and request an application for the OnTrack program.
3. The customer could call his/her local CBO (see Section 15) and request an application for the OnTrack program.
4. The customer could visit his/her local CBO's website and download an application for the OnTrack program.
5. The customer could walk-in to the CBO office and complete a program application or ask for assistance completing the application.
6. The customer could apply online at [www.pplelectric.com/OnTrack](http://www.pplelectric.com/OnTrack) .

The Company will continue to evaluate new options for applying to the program and move toward implementation when the benefits align with improving the customer's experience and the costs are reasonable.

#### **15. OnTrack Community-Based Agencies & Counties Served**

The table below lists the CBOs associated with PPL's OnTrack program, contact information, and counties served.

Community-Based Organization	Primary Phone Number	Counties Served
<p>Community Action Committee of the Lehigh Valley</p> <p>1337 East 5th Street Bethlehem, PA 18015</p> <p><a href="http://www.caclv.org/">http://www.caclv.org/</a></p>	610-691-5620	Lehigh, Northampton, Bucks, Montgomery
<p>Community Action Commission of the Capital Region</p> <p>1514 Derry Street Harrisburg, PA 17104</p> <p><a href="http://www.cactricounty.org/">http://www.cactricounty.org/</a></p>	717-232-9757	Dauphin, Juniata, Perry, Cumberland, York
<p>Schuylkill Community Action</p> <p>217 Center Street Tamaqua, PA 18252 or 225 North Centre Street Pottsville, PA 17901</p> <p><a href="http://www.schuylkillcommunityaction.com/">http://www.schuylkillcommunityaction.com/</a></p>	570-622-1995	Schuylkill, Columbia, Montour
<p>TREHAB, Inc.</p> <p>100 4th Street, Suite 20 Honesdale, PA 18431</p> <p><a href="http://www.trehab.org/">http://www.trehab.org/</a></p>	570-253-8941	Susquehanna, Pike, Wayne, Wyoming, Lackawanna, Monroe
<p>Community Action Program of Lancaster County</p> <p>601 South Queen Street P. O. Box 599 Lancaster, PA 17608</p> <p><a href="https://www.caplanc.org/">https://www.caplanc.org/</a></p>	717-299-7301	Lancaster, Lebanon, Berks, Chester, York

Community-Based Organization	Primary Phone Number	Counties Served
STEP, Inc.  2138 Lincoln Street P. O. Box 3568 Williamsport, PA 17701  <a href="http://www.stepcorp.org/">http://www.stepcorp.org/</a>	570-327-5485	Clinton, Lycoming
Union-Snyder Community Action Agency  713 Bridge Street, Suite 10 Selinsgrove, PA 17870  <a href="http://www.union-snydercaa.org/">http://www.union-snydercaa.org/</a>	570-374-0181	Union, Snyder, Northumberland
Commission on Economic Opportunity  165 Amber Lane, P. O. Box 1127 Wilkes-Barre, PA 18702  <a href="http://www.ceopeoplehelpingpeople.org/">http://www.ceopeoplehelpingpeople.org/</a>	570-826-0510	Luzerne, Carbon

## 16. Organizational Structure of PPL Electric Staff

Corporate administration of PPL Electric's OnTrack Payment Program is the responsibility of the Regulatory Programs & Business Services group of the Customer Services Department. The staff provides program management and field personnel are responsible for the day-to-day administration of OnTrack. The key personnel include the following:

### Program Management Staff:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services

#### Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region

#### Administrative Support:

- Cheryl Mohr, Steno/Clerk

### **17. Summary of Difference Between Proposed Plan (2017-2019) and Current Plan (2014-2016)**

The table below provides a description of the key program design changes.

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
1	Recertification	At the recertification point, the caseworker (CW) evaluates the customer for possible graduation (removal from OnTrack).	At the recertification point, the CW will re-evaluate the customer's position and adjust the OnTrack plan amount, if necessary, and the customer will remain active in the program.
2	Eligibility	Part of the eligibility criteria is for the customer to have a payment arrangement within the past twelve months.	The new eligibility criteria will eliminate the need to have had a payment arrangement over the past twelve months. An overdue balance is not required for enrollment.
3	Controls	Maximum OnTrack credit amounts are set at \$3,328 (electric heat) and \$1,310 (non-electric heat) for use over 18 months, regardless of where customer falls within the FPL tiers (101%-150%, 51%-100%, 0%-50%).	Maximum OnTrack credit amounts are set based on an increasing scale; the lower FPL tiers are allocated a higher credit amount. Electric Heat: 101%-150% = \$3,328 51%-100% = \$3,661

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			<p>0%-50% = \$4,027</p> <p>Non-electric Heat:            101%-150% = \$1,310            51%-100% \$1,441            0%-50% = \$1,585</p>
4	Controls	Company's built in safety-net did not allow a customer's OnTrack bill amount exceed 16% of their monthly income.	Company has control feature that will limit a customer's OnTrack payment consistent with the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines.
4	Eligibility	OnTrack Lifestyle (OTLS) feature is available for customers to receive six months of benefits when household income is less than or equal to mortgage payments or rent.	OTLS feature is available for customers whose household income is less than or equal to their mortgage payment or rent. The will receive a check-up every nine months to ensure the Company is accurately documenting income and aligning customer payments with the most recent information."
5	Eligibility	Zero income situations were not clearly defined. The plan stated the customer must have income but did not elaborate and provide more details.	Zero income situations are clarified (see Section 2.1). Potential enrollee must have income and non-earned income situations are discussed in more detail.
6	Procedural	Company only recalculated the OnTrack amount for a customer that moved to a new residence if their heat source changed from electrically heated to non-electrically heated, or vice versa.	Company will recalculate the OnTrack amount for all customers moving from one residence to another.

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
7	Procedural	Company charged a pre-program arrearage co-payment of \$5/month to every OnTrack customer.	Company will only charge the \$5/month co-payment to OnTrack customers with pre-program arrearage. In addition, the Company will apply the \$5 monthly arrearage co-payment only to a pre-program arrearage balance for the account in which it was paid.
8	Procedural	Company periodically met with stakeholders to discuss Universal Service Program issues.	Company will meet twice a year with stakeholders to discuss Universal Service Program issues.
9	Procedural	Customers who voluntarily removed themselves from the OnTrack program were not eligible for reinstatement until the end of their 18-month cycle.	Customer who voluntarily removes themselves from OnTrack can request and be granted reinstatement at any time within the 18-month cycle by making the missed OnTrack payments to date.
10	Procedural	Customers in OTBB who had SSI as their primary source of income or received LIHEAP within the last 16 months were not granted automatic recertification.	Customers in OTBB who have SSI as their primary source of income or have received LIHEAP within the last 16 months are eligible for automatic recertification.
11	Procedural	Customers with no source of income were not eligible for OnTrack.	Customers with zero income will still be permitted in the OnTrack program with completion and submittal of a zero income form.
12	Procedural	OnTrack customers were able to shop from any generation supplier that was listed as available to them.	OnTrack customers can only shop from a select group of generation suppliers that offer rates up to 7% lower than PPL's price to compare.

# **Winter Relief Assistance Program (WRAP)**



## **PPL Electric Utilities Corporation**

### **Winter Relief Assistance Program (WRAP)**

#### **1. Program Description and Overview**

##### **1.1. Background**

The Winter Relief Assistance Program (WRAP) reduces electric bills and improves comfort for low-income customers. PPL Electric Utilities Corporation (PPL Electric or the Company) funds and administers the program. Contractors conduct energy surveys or “audits,” install weatherization measures and provide energy education. The Company also uses contractors to conduct quality assurance inspections of completed work.

The WRAP services and measures installed by contractors depend on the customer’s use of electricity, the results of an energy audit, and any coordination between other weatherization programs. PPL Electric encourages customers to participate as “partners” in the audit and energy education session(s) so that they can maximize their savings’ success.

The Company started WRAP as a pilot program in 1985 with the support of the Pennsylvania Public Utility Commission (PUC or the Commission) for customers at or below 150 percent of poverty level. At that time, customers needed to have electric heat or an electric water heater to qualify for the program.

In 1988, the PUC required that all covered electric and gas utilities in Pennsylvania establish a Low-Income Usage Reduction Program (“LIURP”) for customers in their territories. WRAP became PPL Electric’s LIURP and the Company agreed to expand funding from \$2,000,000 to \$3,023,000. The Company also added energy education and lighting measures as part of WRAP.

In 1998, PPL Electric implemented the concept of universal service programs for low-income customers as part of the settlement agreement associated with electric utility industry restructuring. Universal service programs include WRAP (LIURP), OnTrack (Customer Assistance Program or “CAP”), CARES and Operation HELP. The Company agreed to expand its annual funding to \$4,700,000 and serve “an appropriate” amount of baseload (“lighting and appliance”) customers as part of its settlement agreement. PPL Electric also incorporated an additional \$1,000,000 annual funding from its “Keep Warm” Pilot Program (1995-1997), targeted at customers between 150% and 200% of poverty level, as part of LIURP.

PPL Electric has expanded its LIURP funding and scope of services through various regulatory proceedings and initiatives since 1998, most recently from \$9,500,000 to \$10,000,000 as part of its 2016 distribution rate case

settlement. In addition to LIURP, the Company has provided a direct install program for low-income customers through Act 129 WRAP since 2009. Act 129 Phase 3 started on 6/1/2016 and ends on 5/31/2021 and will continue to feature a direct install program as well as other energy-saving programs for customers with limited incomes. The PUC approved PPL's Energy Efficiency and Conservation Plan for Act 129 Phase 3 in March 2016.

## **1.2. Objectives**

The primary objectives for WRAP are to:

1. Reduce the energy usage and electric bills of low-income customers; and
2. Increase the ability to pay and decrease the arrearages of low-income customers.

Secondary objectives include:

1. Improve comfort for low-income customers;
2. Promote safer living conditions through the reduction of secondary heating devices;
3. Maintain/establish partnerships with social service agencies, community-based organizations and local private contractors to promote maximum and timely assistance; and
4. Make tailored referrals to Company and other assistance programs, such as OnTrack, LIHEAP, Act 129 programs and other weatherization programs.

## **1.3. Participation Eligibility**

PPL Electric requires that customers meet the following criteria to qualify for WRAP:

- Household income is at or below 150 percent of poverty level. The Company will serve up to 20% of customers that are between 150% - 200% of poverty level through its LIURP budget. This includes "special needs" customers as defined by the PUC, customers living in multi-unit projects who could best benefit from "whole building" treatments, and customers referred through inter-utility coordination.
- Customer is at least 18 years old.
- The premise is in PPL Electric's service area and has its own electric meter.
- Customer's home is the primary home, not a "second" or vacation home.

- The electric service is the name of one of the household’s occupants. (Exception: home is part of a multi-unit project and service is temporarily in the landlord’s name).
- The premise did not receive LIURP WRAP or Act 129 WRAP within the past three years and has the potential to receive energy-reduction measures and services. PPL staff will review applicants who received LIURP or Act 129 WRAP within the past three years on a case-by-case basis.
- The customer has at least nine months usage history at the premise. (Exceptions made with Company approval).<sup>6</sup>

If an apartment building contains at least three units and at least 50 percent of the tenants qualify for WRAP, PPL Electric may provide weatherization measures and services to all tenants in the building. Each tenant must provide consent for WRAP.

As part of PPL’s Energy Efficiency and Conservation Plan (EE&C) Plan, Act 129 WRAP serves customers in multi-unit households with incomes at or below 150% of the federal poverty income guidelines. Multi-unit buildings with incomes between 150% and 200% of the federal poverty income guidelines or Act 129 recipients who could benefit from additional WRAP measures will be referred by the Act 129 conservation service provider (CSP). There is no minimum usage for jobs coordinated with Act 129 WRAP. A household must have an individual meter to qualify for LIURP; master-metered buildings are not eligible for LIURP WRAP.

A customer does not need to have an overdue amount with PPL Electric to qualify for WRAP. However, the company may prioritize WRAP services in situations where a customer has high electric consumption or, the customer participates in OnTrack and is at risk for exceeding the OnTrack benefit levels. The Company currently defines “high usage” households as households that use more than 18,000 kWhs per year.

#### **1.4. Customer Consent**

The Company requires customer consent prior to the start of any WRAP work. In addition to authorizing WRAP, the customer agrees to participate in the energy audit and energy education session(s).

#### **1.5. Landlord Consent**

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<sup>6</sup> Customers that have less than 9 months usage and are below 150 percent of Poverty Level guidelines are eligible for Act 129 WRAP.

Homeowners and renters are eligible for WRAP. PPL Electric requires that the landlord sign a consent form before a tenant receives most measures. If the landlord does not sign the consent form, the Company will offer one or more of the following to the tenant:

- Referral to Act 129 Low-Income Program, if income eligible
- Provision of an energy-saving kit, if the household income is between 150-200% of the federal poverty income guidelines
- Phone or in-home energy education session (e.g. high usage OnTrack customer)
- Limited baseload WRAP

### **1.6. Lifestyle**

PPL Electric offers baseload WRAP when a family's income is less than their monthly rent or mortgage payment. The Company may provide partial weatherization in situations where lifestyle choices (hot tub, heated sunroom, etc.) accounts for major energy use.

### **1.7. Usage Criteria**

Effective 2017, PPL Electric's proposed minimum criteria for WRAP is 6,000 annual kWh. The Company can make exceptions for customers living in very small premises or hardship situations (e.g. elderly customer limits use of electric heat during the pre-treatment period). PPL Electric will refer "low usage" customers not served through LIURP to other utility programs, other weatherization programs (if not previously received) and to LIHEAP Crisis when available.

### **1.8. Promoting WRAP**

Well-planned outreach is an essential component of WRAP. PPL Electric Utilities advertises WRAP in its bill insert annually and promotes WRAP on its website so all residential customers can learn about the program. The Company also implemented an "on-line" WRAP Application in March 2015.

The Company strongly encourages that OnTrack customers participate in WRAP. Failure for an OnTrack customer to reduce or maintain electric usage or to fulfill WRAP-related requirements may result in removal from the program. PPL Electric informs OnTrack customers about the program through its *Post Enrollment OnTrack Brochure*, agency referrals, website, and targeted phone calls and mailings. The Company will continue to seek innovative ways to enroll OnTrack customers into WRAP and to focus on the benefits that the service provides.

In addition, the Company may use some or all of the following outreach methods to reach potentially eligible customers in years 2017-2019:

- Phone calls, mailings, and e-mail “blasts” to electric LIHEAP recipients and customers identified as “low-income” in PPL’s Customer Service System (CSS) or through data-mining in CSS
- Program information on PPL Electric’s website ([www.pplelectric.com](http://www.pplelectric.com))
- Presentations and communications to PPL Electric employees, including information and updates on the Customer Services internal website
- Cross-marketing with other weatherization and utility programs
- Social media (e.g. Facebook)
- Presentations and communications to social service agencies, senior citizens groups and other organizations such as “Healthy Homes and Lead Partnership”
- Participation in community events, PUC/Utility events, and booths at high traffic areas where customers with limited-incomes can be reached
- Communications and personal contact with multi-family housing authorities, project managers, and landlords
- WRAP Contractor Referrals/Word-of-Mouth
- “Free” news segments and press releases
- Low-cost print media options such as “merchandisers”
- PPL Outreach Pilot in the Lancaster Area which includes mailings and posters to churches, food pantries, etc.
- Other, as appropriate

PPL Electric tracks the number of qualified WRAP participants and “how they heard about WRAP” through its “Low-Income Energy Assistance Programs” Database System or LEAP. The Company will continue to evaluate new outreach technologies and strategies throughout 2017-2019 and implement as cost-effective and feasible.

### **1.9. Intake**

PPL Electric’s goal is to make the WRAP intake process quick and easy for the customer. In order to make the WRAP process seamless to the customer, the Company will employ a customer care center to enroll customers through outbound and inbound phone calls.<sup>7</sup> PPL Electric’s USRs will continue to process applications received through mail. PPL will employ the strategies below to enroll customers (specific processes are subject to change based on new systems or technologies):

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<sup>7</sup> The proposed intake process for Universal Service WRAP (LIURP) mirrors that of Act 129 Low Income WRAP Phase 3 which took effect on June 1, 2016.

1. Customer calls the designated customer care center or responds to an outbound call. The customer care “associate” enters the information into LEAP and informs the customer of their eligibility status.
2. Customer completes a hard copy application as a result of an outbound mailing, agency referral or personal contact and mails to a PPL office. PPL scans the application and related information into a central work management system. A PPL USR enters the information into LEAP and notifies the customer of their eligibility status.
3. Customer completes and submits an application through PPL Electric’s website. The customer will receive an auto-generated message as to whether the application is accepted along with a Case Number, or if the application is under review. The application information automatically migrates into LEAP.
4. Customer completes an application in-person (e.g. senior citizen event). The USR or a representative of the Act 129 CSP enters the information into LEAP and notifies the customer of their eligibility status.
5. OnTrack caseworker issues an electronic referral to WRAP on PPL’s CSS system. A PPL staff member will follow-up with a letter or phone call. Or, the OnTrack or other agency caseworker assists the customer in completing an application and mails or faxes the WRAP Application to PPL EU.
6. WRAP Contractor mails, faxes or delivers a completed WRAP Application as part of inter-utility coordination. The PPL USR enters the application into LEAP and notifies the contractor and/or customer of their eligibility. When possible, the contractor completes WRAP work in tandem with another weatherization program.
7. The customer receives Act 129 WRAP and the Act 129 CSP recommends additional measures through LIURP using the LEAP system. PPL staff will determine if the customer is eligible for LIURP, and if so, will create a separate LIURP case.

If a customer qualifies for WRAP, LEAP assigns a Case Number and designates the case as “LIURP” or “Act 129 WRAP” based on the pre-determined criteria as delineated in the following table.

#### LIURP and Act 129 Eligibility

<b>LIURP</b>	<b>Act 129 WRAP</b>
All cases between 150%-200% of the	All Multi-unit homes

FPL income guidelines*	
Installed electric heat (primary source)*	Non-installed electric heat (primary source) and usage is less than 18,000 kWhs**
Annual usage is greater than 17,999 kWhs*	Less than 10 months usage at the premise under the current account**
Electric water heater 12+ years old, or mobile home with an electric water heater*	Mobile home without an electric water heater and usage is less than 18,000 kWhs

\*Excludes multi-unit premises

\*\* Household income must be at least 150% of the FPL guidelines or lower

Act 129 cases are assigned to an Act 129 CSP; LIURP cases are assigned to a LIURP contractor. PPL staff can change the program type based on contractor field observations and prior to submitting any invoices for the case. Act 129 customers may receive additional measures from LIURP, which are tracked separately under a different case number.

An application that does not automatically qualify goes under “review” (e.g. customer has service at multiple premises). PPL Electric staff makes the determination as to customer eligibility based on program guidelines, customer need and the potential to receive WRAP measures.

### 1.10. Energy Survey

PPL Electric uses the energy survey or “audit” to identify what measures and services the contractor will install in the customer’s home. Decisions made during the audit are based on:

- Customer interview/occupant practices
- Electric usage history
- Site-specific diagnosis
- Prioritization of measures
- PUC payback criteria
- Coordination with other weatherization programs

WRAP auditors recommend measures in compliance with the priority lists contained in the *WRAP Standards and Field Guide*. The objectives of the priority lists are to:

1. Reduce electric consumption installed through WRAP measures and occupant education;
2. Comply with PA State Weatherization Health and Safety standards; and

3. Provide all income-eligible customers in PPL Electric's distribution service area with an equal opportunity for receiving WRAP services and measures.

The content on the priority lists may change based on the Company's evaluation results, changes in state regulations, the implementation of new measures and technologies, and changes in customer demographics and housing stock.

The LEAP system assigns a Case Number for every WRAP Job followed by the Program or "campaign" type (LIURP or Act 129 WRAP) and Job Type. The Job Types are Full Cost (heating), Low Cost (water heating) or Baseload (lighting and appliances) in accordance with the PUC reporting criteria.

If a customer has installed electric heat as indicated on the WRAP Application, LEAP categorizes the Job as Full Cost. The auditor (contractor) can downgrade the job type to baseload or low cost if the premise has less than 50 percent installed electric heat, if there is no opportunity to install heating measures, or for health and safety reasons. PPL staff will also downgrade any heating job assigned to a contractor if the customer is a renter and the landlord does not provide written consent for WRAP.

LEAP assigns any job where the customer did not indicate installed electric heat as a baseload job. The contractor can upgrade for full cost measures if the customer has installed heat in at least 50 percent of the home or for high seasonal usage/electric space heating where the auditor can demonstrate the potential for cost-effective electric energy savings (with PPL approval).

If a premise has an installed electric water heater and the auditor recommends at least one water heating measure, LEAP automatically upgrades a job from baseload to low cost.

The LEAP system matches the LIURP measures to the Job Type. Therefore, the auditor only views those potential measures that pertain to the job.

WRAP Contractors can bypass the LIURP audit if an equivalent audit was done within the past 12 months through another weatherization program. The Contractor or PPL employee must upload a copy of the Audit or Assessment Form into LEAP.

### **1.11. Installation of Measures – Baseload**

All WRAP customers are eligible for baseload measures. Standard measures and services include:



- Energy education
- Installation of Light-Emitting Diode bulbs (LEDs) <sup>8</sup>
- Refrigerator replacement;
- Window air conditioner replacement
- Dehumidifier replacement
- Waterbed replacement with a mattress
- Changing or cleaning of heating/cooling filters
- Dryer venting (electric dryer)
- Clothesline installation
- Power Strip/Smart Plug
- Appliance replacement, with PPL Electric approval
- Carbon monoxide detector
- Comfort measures such as a door sweep or widow quilt
- Appliance replacement if the auditor can demonstrate a 12-year payback<sup>9</sup>

### **1.12. Installation of Measures – Low Cost**

If the baseload customer has an electric water heater and has the potential for water heating measures, the WRAP auditor may upgrade the job to “low cost” at the time of the baseload audit (or downgrade the job during the full cost audit).

Low cost measures include:

- Water heater replacement with a Heat Pump Water Heater (“HPWH”) or a standard domestic electric water heater
- Gravity Film Exchange
- Repair of water leaks
- Water pipe insulation
- Installation of energy/efficient showerhead(s)
- Installation of energy-efficient aerator(s)
- All baseload measures
- Other measures that meet PUC payback criteria

The Company has no expenditure limit on low cost jobs. However, measures must meet the PUC payback criteria described in PPL Electric’s *WRAP*

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<sup>8</sup> PPL Electric began replacing incandescent light bulbs with LEDs in 2014 with PUC approval. The Company will continue to explore lighting technologies and implement as cost-effective and feasible.

<sup>9</sup> Examples of appliance replacement include washing machines, electric dryers and electric stoves. The Company addresses specific guidelines for replacement in the WRAP Standards and Field Guide.

*Standards and Field Guide.* PPL Electric requires that contractors install HPWHs when the site meets the criteria for a standard replacement.

### **1.13. Installation of Measures – Full Cost**

Customers with installed electric heat in 50 percent or more of the premise are eligible for a full cost audit. The baseload auditor can upgrade a job in a home with high seasonal usage where full cost measures may reduce heating and/or cooling costs. Conversely, the auditor may downgrade a job if there is no potential to install electric heating/cooling measures or the home is beyond the scope of weatherization. PPL Electric staff makes the final determination as to the “job type” based on the measures installed.

Full cost measures include:

- Blower door testing and associated air sealing
- Attic, wall and floor insulation
- Sealing of attic bypasses
- Attic vents and hatches
- Crawlspace and header insulation
- Heating equipment repair/retrofit/replacement
- Duct insulation and repair
- Caulking and weather-stripping
- Door sweeps
- Storm windows
- Window replacement
- Thermostat replacement
- Water heating measures, if the premise has an electric water heater
- Baseload measures
- Other measures that meet the PUC payback criteria

The PUC’s LIURP guidelines suggest a seven-or twelve-year payback for most measures. In 2002, PPL Electric implemented an aggregate payback formula based on the customer’s electric seasonal usage. The Company assigns a “shell allowance” for each full cost job based on the payback formula. The shell allowance serves as a spending guideline for full cost measures in order to reduce electric usage. Examples of shell measures include insulation and air sealing.

PPL Electric plans to continue using the shell allowance as a guideline for full cost expenditures in years 2017-2019. However, the Company will allow WRAP contractors to exceed the shell allowance for “high” priority measures such as attic insulation and associated air sealing and electric heat repair with PPL approval.

**Incidental Repairs** – Contractors can make small incidental repairs as needed for the installation of other weatherization measures. As a general guideline, the suggested spending allowance for incidental repairs is 30 percent above the shell allowance limit.

**Health and Safety** – Contractors can spend up to \$650 in health and safety diagnostic testing and measures for heating jobs without PPL Electric’s approval. Examples of health and safety measures include dryer venting, and the installation of carbon monoxide detectors and bathroom exhaust fans. PPL Electric proposes to continue allowing a “standard” \$650 health and safety allowance in years 2017-2019. Contractors can exceed the allowance with PPL approval to address more extensive health and safety problems such as mold or lead remediation that inhibit the installation of full cost measures.

WRAP Contractors can spend up to \$250 in “comfort” measures in conjunction with electric energy-saving measures for low cost and baseload jobs. Contractors should install comfort measures, such as window quilts, that will not impact the air changes-per-hour of the home where feasible. In situations where the contractor installs a measure that will impact air quality or combustion levels (e.g. the customer is over-income for the PA Weatherization Assistance Program), the contractor should, at a minimum, conduct a Combustion Appliance Zone (CAZ) test before and after the installation.

**Indoor Air Quality** – Contractors may choose to do air sealing in homes where there are comfort and/or moisture problems or when the electric usage is high, even if the home is below the minimum ventilation guidelines (“MVG”). If the home is below the MVG before or after the installation of WRAP measures, contractors may add mechanical ventilation to ensure proper indoor air quality; this cost is included as a health and safety measure.

**Municipal Requirements** – Certain municipalities require permits for the installation of WRAP measures such as water heater replacement. PPL Electric will expect contractors to acquire a permit as part of the WRAP job. WRAP Contractors should include a copy of the permit as part of the invoicing process.

PPL currently allows the installation of smoke alarms, water heating check valves, and water heating expansion tanks in accordance with municipal requirements as needed to install WRAP measures. The Company will address additional municipal requirements on an individual basis. The cost of the municipal measure should not exceed the cost of the energy-saving measure.

#### **1.14. Energy Education**

Energy education is an important component of WRAP. All WRAP customers are eligible for at least one home energy education session. There are several types of sessions.

**Initial** – The educator works with the customer to itemize electric costs and to influence choices that will save energy and improve comfort and safety. The educator conducts the initial session prior to the installation of measures, usually during the audit. In years 2017-2019, PPL Electric will continue to require that all LIURP customers receive an initial energy education session, unless the customer received an equivalent session through Act 129 WRAP prior to the installation of LIURP measures.

WRAP contactors are required to integrate education into all aspects of WRAP. The LIURP installer should continue to reinforce educational concepts from the LIURP or Act 129 Audit.

**Additional Session** – The quality assurance inspector offers a follow-up session to customers in conjunction with a post-installation inspection or within six months after the installation of all measures. If a full cost recipient does not receive a site inspection, PPL Electric will offer follow-up education while conducting a phone inspection. A PPL EU staff member or WRAP quality assurance inspector will respond to the request.

A quality assurance inspector can conduct follow-up education as a site visit or phone session. The educator reviews the installed measures, discusses any changes in electric usage with the household and continues to work with the household to influence good choices.

Effective 2017, PPL will monitor the post-usage recipients within 3-9 months after receiving WRAP. The company will offer the customer a remedial energy education session (usually by phone) and/or provide energy-saving tips per mail.<sup>10</sup>

**One-Year Follow-up** – As per the suggestion of WRAP contractors, the Company will develop and implement a feedback mechanism for customers after the twelve-month post-WRAP period in 2017. In situations where the customer's usage continues to increase or remains high, PPL will offer remedial energy education or a referral for additional WRAP services and measures.

**OnTrack Education** – In years 2017-2019, PPL Electric plans to expand its efforts to provide educational services to “high usage” OnTrack customers.<sup>11</sup>

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<sup>10</sup> PPL Electric expects to have the system functionality to monitor post-installation usage in September 2016.

<sup>11</sup> Effective May 2016, PPL Electric gained the functionality to track information in LEAP for customers that PPL staff assigns for energy education (no installed measures).

While the Company expects to refer most customers to WRAP, OnTrack customers who are not eligible for WRAP can receive home, phone or mail education/energy-saving kits. The Company may also assign a customer for education if there is an immediate need for education (e.g. high defacto space heating usage) and the customer cannot receive WRAP for at least 30 days. PPL personnel and WRAP Contractors will also educate customers on PPL Electric's internet tools for monitoring energy usage when applicable.<sup>12</sup>

### **1.15. Quality Assurance**

PPL Electric will target a minimum of 30 percent of all full cost jobs for a site inspection. The Company will conduct phone inspections for a minimum of 25 percent of baseload and low cost recipients. PPL Electric may choose to inspect all jobs with new or pilot measures.

The objectives of the inspection are to:

1. Ensure that all measures and services listed in LEAP are installed in accordance with WRAP standards;
2. Identify major missed opportunities and adherence to the priority lists; and
3. Gather customer satisfaction data.

The inspector verifies the installation of invoiced measures and notes any concerns or major missed opportunities in LEAP. The contractor has 30 days in which to respond to a customer. The Company uses contractors to conduct most inspections. WRAP contractors can be inspectors as long as they are not the auditors and/or installers for the jobs for which they inspect.

## **2. Funding and Enrollment Levels**

PPL Electric's current WRAP (LIURP) budget is \$10,000,000 annually, a 20 percent increase since 2013.

In order to minimize the impact on all residential customers, PPL Electric is not proposing a LIURP funding increase over the next three years. The Company expects to serve more customers through coordination with other weatherization programs (including Act 129), reduced administration and field support costs and decreased material costs for lighting measures. PPL expects to channel most income-eligible baseload customers to Act 129 WRAP.

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<sup>12</sup> A PPL study conducted in 2014 showed that 39% of WRAP recipients registered to use PPL Electric's Energy Analyzer web tool.

The chart below depicts the 2017-2019 funding levels and projected enrollment by job type:

<b>Year</b>	<b>Expenditures</b>	<b>Full Cost (Heating)</b>	<b>Low Cost (Water Heating)</b>	<b>Baseload</b>
2017	\$10,000,000	2,010	575	715
2018	\$10,000,000	2,010	575	715
2019	\$10,000,000	2,010	575	715

In addition to the projected numbers by WRAP job type listed above, the Company will provide energy-saving kits and/or energy education for low-income customers not eligible for WRAP measures in conjunction with the LIURP budget.

### **3. Needs Assessment**

PPL identifies 102,197 customers that can benefit from WRAP. The Company projects a total cost of \$250,769,335 to serve these customers based on the methodology below. The costs are based on the 2017 average-cost-per-job for direct costs, multiplied by 1.12 (12%) for administrative and field support costs. The calculation below takes into account that the average cost-per-job for direct costs differs based on the type of job. The total cost to serve figure was calculated as follows:

- Number of confirmed low-income customers coded as residential – electric heat: 43,945
- Customers likely to receive electric heat treatments based on historical data: 38,232<sup>i13</sup>
- The average cost-per-job for direct cost (electric heat treatment): \$3,581

To calculate the total cost to serve residential electric heat customers, PPL Electric multiplied the number of heating customers (38,232) by the average-cost-per-job for direct costs (\$3,581) and added 12% for administrative/field support. This resulted in a total cost to serve in the amount of \$153,337,487.

- Number of confirmed low-income customers coded as residential – non-electric heat = 58,252
- Customers likely to receive water heating and/or baseload treatments, including customers with electric heat = 63,965

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<sup>13</sup> Approximately 13 percent of customers with electric heat do not receive heating treatments due to health and safety deferrals, lack of landlord consent, or the premise does not qualify for heating measures as determined by the LIURP Contractor. These customers are factored into the customer segment that is likely to receive water heating and/or baseload treatments.

- The average cost-per-job for direct cost (water heating and/or baseload treatment): \$1,360

To calculate the total cost to serve residential non-electric heat customers, PPL Electric multiplied the number of customers likely to receive water heating and/or baseload treatments (63,965) by the average cost-per-job for direct cost (\$1,360) and added 12% for administrative/field support. This resulted in a total cost to serve in the amount of \$97,431,488.

To complete the calculation, the total cost to serve 43,945 heating customers (\$153,337,847) and the total cost to serve 63,965 customers with water heating/baseload jobs (\$97,431,488) were added together to provide a total cost of \$250,769,335.

#### **4. Organizational Structure of PPL Electric Staff**

The Regulatory Programs and Business Services work group at PPL Electric administers Universal Service WRAP (LIURP). The Program Manager oversees the program and is responsible for all regulatory reporting and compliance. She works closely with the Low Income Customer Programs Specialist to ensure effective coordination between Universal Service and Act 129 WRAP.

Five Regional Program Specialists (RPSs) direct the implementation of universal service programs within their respective regions.<sup>14</sup> They manage the budgets, workload and contractors in their areas and respond to escalated customer inquiries and concerns.

A team of Universal Service Representatives is responsible for the daily operations of WRAP such as data entry into LEAP, reviewing applications, verifying invoices, and handling customer inquiries. They also support specific OnTrack and CARES functions.

#### **Program Management Staff:**

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- Linda Melenchek, Program Manager – Regulatory Programs and Business Services

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<sup>14</sup> WRAP and OnTrack regions are comprised of specific counties which may change based on customer need and availability of resources.

## **Regional Regulatory Programs Specialists: <sup>15</sup>**

- Jaclyn Baldwin – Lehigh Region
- Kristen Kelly – Susquehanna Region
- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast Region

## **Universal Service Reps**

- Linda Banzhof – Lancaster Region
- Kimberly Brummett – Northeast and Susquehanna Regions
- Ann Miller – Susquehanna Region
- Zachary Reynolds – Harrisburg Region
- Donna Schall – Lehigh Region
- Pamela Yale – Northeast Region

## **5. Contractor Selection, Requirements, and Support**

### **5.1. Contractor Selection and Requirements**

PPL Electric uses contractors to install weatherization measures and conduct audits, inspections and energy education sessions. The Company's Regulatory Programs Specialists select contractors from qualified and reputable weatherization agencies and local private contractors. Weatherization contractors may use sub-contractors for specialized work (e.g. electrical, plumbing and heating equipment repair).

The Company issues contracts on a three-year basis with the opportunity for annual adjustments. PPL Electric staff will select the contractors through a request for proposal process in accordance with the Company's procurement guidelines and policies.

The Company expects contractors to conform to all federal, state and local requirements and to upload any permits into LEAP. Materials and the installation of materials must comply with WRAP standards. All Full Cost auditors, inspectors and at least one member of each installation agency that performs full cost work must have an active Building Performance Institute (BPI) – Analyst I Certification or PA weatherization certification equivalent.

In addition, contractors must meet the following requirements:

1. Adhere to PPL Electric's standard WRAP contractual terms and conditions
2. Complete the required documentation for each WRAP job in LEAP.

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<sup>15</sup> Regulatory Programs Specialists and Universal Service Reps support other regions as needed.



3. Comply with OSHA and the WRAP Standard as specified in the *WRAP Standards and Field Guide*.
4. Adhere to all codes and municipal requirements. Documents any permits acquired for WRAP work in LEAP.
5. Complete work within a specified time mutually agreed upon by PPL Electric and the contractor.
6. Submit invoices in accordance with the policies issued by the Company's Financial Department.
7. Procure all materials, including LEDs.
8. Refer customer to payment-assistance programs, other weatherization programs, and Act 129 programs where applicable and documents in LEAP. Coordinates LIURP and Act 129 work as requested by PPL EU.
9. Provide a one-year warranty on all labor and materials, unless otherwise noted in the contract.
10. Address problems upon notification and no later than 30 days.
11. Correct problems identified by PPL Electric as emergencies within 24 hours. Contractors should provide customers with their names and phone number upon completion of work.
12. Attend required meetings and training provided by PPL Electric.
13. Adhere to a performance review, minimum of once per year.

PPL Electric assigns work to contractors based on customer need, location, skill sets, experience and ability to handle increased workload. Habitual delays may result in the assignment of work to another contractor.

## **5.2. Performance**

PPL Electric conducts a performance review with individual WRAP contractors at least once per year. The Company evaluates contractors on their ability to complete assigned work on time, quality of their work, cost-effectiveness and customer satisfaction. Performance metrics, as documented in LEAP, include:

- Turn-around time for job completion
- Coordination with other programs and services
- Measures installed, cost per measure installed
- Customer satisfaction

Contractors will also receive feedback as part of the annual LIURP evaluation as to their average pre-to-post WRAP savings, acquisition cost (when available) and WRAP savings' results in general.

The performance review gives contractors the opportunity to express any problems or concerns and to make suggestions for improvement.

In addition to the annual performance review, PPL Electric staff or a designated home performance specialist performs periodic field observations of auditors, crew leaders, and energy educators to include observations of new personnel. The Company's staff may also conduct field inspections of jobs that do not require diagnostic testing.

PPL Electric may request additional meetings and/or training for contractors that do not meet WRAP requirements. If performance does not improve, the Company may terminate the WRAP contract.

### **5.3. Training**

PPL Electric will continue to reserve a portion of its annual field support budget for existing WRAP contractors. Training funds will be used to:

1. Sponsor and/or provide contractor sponsorships to conferences and special events (e.g., National Affordable Comfort Conference).
2. Sponsor and /or provide training that will enable contractors to receive Continuing Education Units (CEUs) or prepare for BPI Certification.
3. Sponsor and coordinate training for specialized work (e.g., combustion testing, infrared training, heat pump water heater installation, baseload measures and energy education).
4. Develop and implement training that is PPL Electric specific (e.g., OnTrack education, new pilots or measures).
5. Sponsor webinars on new technologies, techniques and best practices.

PPL will allocate a portion of its training budget, as needed, to support the PA Quality Control Inspector (QCI) and BPI testing and certification/re-certification fees. The Company will work with the PUC, the PA Weatherization Advisory Panel, and WRAP Contractors to identify and support training needs as needed to meet state or federal home performance standards.

The Company offers a stipend to contractors who attend mandatory training that is specific to PPL's LIURP program to help offset productivity losses. The stipend does not apply to training at the job site.

### **5.4. Computer Enhancements**

In 2014-2015, PPL Corporation re-wrote its fourteen year-old WRAP database and reporting system. The Company deployed the new system, LEAP, to internal users and WRAP contractors in March 2015. The new system featured improved communications between PPL and contractors, data validation, enhanced workflow and budget management, and reduced paperwork.

The Company deployed LEAP Release 2.1 in May 2016 which focused on LIURP/Act 129 Phase 3 coordination<sup>16</sup>, improved invoicing functionality, and the capturing of post-installation data for LIURP Reporting. PPL Electric is scheduled to deploy subsequent releases in 2016 which will focus on improved field communications and ease of completing the annual LIURP report.

The Company will continue making enhancements to the system based on internal and contractor feedback, new regulatory or company requirements, and the implementation of new pilots and process improvements.

### **5.5. Contractor Communications**

PPL Electric is committed to the continuous improvement of WRAP. In 2010, the Company established the WRAP Technical Team of PPL Electric staff and at least one contractor in each region. The team provided recommendations for WRAP standards and training and all WRAP organizations had the opportunity to review the standards prior to publication.

PPL Electric is in the process of revising its field standards manual with subsequent revisions “as needed” during 2017-2019. As in the past, the WRAP Technical Team will provide initial input followed by a review period for all contractors. The Company may also hire a home performance consultant(s) to help develop or review the more technical aspects of the manual.

As part of a WRAP Contractor Survey (March 2016), some contractors requested periodic updates on program changes and best practices. Starting in 2017, PPL will minimally provide quarterly e-mail updates on WRAP changes, etc. to include any changes in other weatherization programs that impact WRAP. The WRAP Team also plans to continue coordinating an annual contractor meeting, usually in the fall.

PPL Electric will continue to invite suggestions and ideas for WRAP process improvement from WRAP contractors and other stakeholders. For example, almost all contractors reported scheduling difficulties or lack of customer cooperation as the primary reason for work delays. As a result, PPL staff is identifying and implementing better ways to communicate with customers during the WRAP process.

### **5.6. Advisory Panel**

PPL Electric will establish a universal service stakeholder group that meets at least twice per year. The intent of the stakeholder group is to improve PPL’s

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<sup>16</sup> Act 129 Phase 3 began in June 2016. PPL Electric split the costs for LEAP development between the LIURP and Act 129 budgets.

universal service programs, including LIURP, through sharing information and inviting feedback.

## **6. Pilots**

The Company periodically pilots new products, measures, techniques or approaches to weatherization as part of WRAP. Pilot suggestions come from regulators, WRAP contractors, customers and PPL Electric staff.

### **6.1. Ductless (Mini-Split) Heat Pumps:**

In accordance with contractor feedback, PPL Electric is proposing to implement a Ductless Heat Pump Pilot in 2017 for electric resistance heating and (possibly) space heating customers. The WRAP Technical Team will develop the site selection and installation criteria with guidance from a home performance expert. The Company will spend a maximum of \$250,000 or serve 25 customers (whichever comes first), excluding evaluation costs. The pilot evaluation will be done in conjunction with the 2017 Billing/Analyses and LIURP Report which is due to the PUC in April 2019. In the event that PPL cannot identify customers that meet the site selection criteria through normal LIURP channels, the Company will apply the installation of any unspent funds towards LIURP measures and services.

### **6.2. Additional Pilots**

In 2017 and beyond, PPL Electric will continue to investigate pilot opportunities and, if feasible, seek approval from the Commission to implement. The Company will continue to maintain an open process towards pilot suggestions. Interested parties should submit a brief proposal to the PPL Electric WRAP Team that includes the pilot description, objectives, rationale, and suggestions for evaluation. The WRAP Technical Team will need to review any pilot suggestions that involve field or technical applications prior to regulatory submission.

The WRAP Technical Team and contractor network will continue to evaluate suggestions for pilot or new measures (e.g. solar motion sensor lights).

## **7. Energy Devices (Home Area Networks)**

Beginning November 2016, PPL Electric is replacing its existing residential meters in accordance with Act 129 requirements. Deployment will continue until mid-2019. The new meters will enable the technology to facilitate customers' direct access to price and consumption information utilizing the industry standard Zigbee technology that will be included in the new meters. An additional device that is commercially available will be required to enable this capability.

During the years 2017-2019, PPL Electric WRAP staff will work with PPL's Advanced Metering Infrastructure (AMI) Project Team to explore the feasibility of a home area network (HAN) pilot program to include Low Income Customers. This will be addressed in greater detail as part of its 2020-2023 Three Year Plan.

## **8. Inter-Utility Coordination**

PPL will continue to encourage coordination with the PA WAP, gas utility and county weatherization programs in accordance with the budget and resources of the other programs. Current initiatives include:

- The WRAP Team accepts ongoing contractor and utility referrals through e-mail, phone calls and faxes. The Company will schedule WRAP work in conjunction with the other weatherization programs when feasible. Contractors enter coordination efforts within a twelve-year period into LEAP.
- Agencies that provide multiple programs encourage customers to apply for multiple programs and assist customer in the application process. Or, the agency mails the customer a WRAP Application during WAP intake.
- WRAP contractors refer WRAP participants to other weatherization programs and document in LEAP.
- The WRAP Team provides electric usage information to WAP agencies for evaluation and referral.
- PPL coordinates "as needed" calls with the gas utility. However, coordination is difficult due to discrepancy in funding and the amount of customers served.
- The WRAP Team sponsors and shares information at PUC utility events.

In 2017-2019, PPL Electric plans to strengthen utility-coordination through the following initiatives:

1. Initiate a quarterly contact (meetings, phone calls or e-mail) with DCED WAP staff and the gas utilities to improve coordination efforts and receive updates of changing guidelines and procedures. Communicate changes to WRAP contractors in quarterly updates.
2. Monitor contractor coordination efforts through LEAP.
3. Provide WAP contractors with WRAP Applications and referral postcards.
4. Screen customer lists provided by agencies for possible WRAP referral.
5. Participate in the WAP Advisory Council Meetings and related inter-utility projects (e.g. the possible development of an inter-utility coordination database).

6. Align WRAP with PA WAP standards where cost-effective and feasible. Continue to identify and implement training partnerships with the National Sustainable Structures Center.<sup>17</sup>

## 9. Reporting and Evaluation

PPL Electric is required to submit the following annual reports to the PUC on or near the following dates:

1. LIURP Productivity Report – March 1
2. USP Report (LIURP Section) – April 1
3. LIURP Annual Report – April 30
4. LIURP Annual Narrative Report – April 30

The reports due at the end of April are PPL Electric’s “self-evaluation” of its LIURP program two years prior to the submission date. In other words, the 2017 LIURP Report will evaluate jobs completed in 2015. This allows the Company to collect 12 months of post-weatherization data.

PPL Electric currently uses a third-party evaluator to prepare a billing/usage analysis for inclusion in the annual LIURP Narrative Report. In 2014-2016, PPL Electric submitted LIURP data from its WRAP V system to Penn State for analysis.<sup>18</sup> PPL’s third-party evaluator<sup>19</sup> is responsible for working with PPL Electric to reconcile any data discrepancies with Penn State.

PPL Electric received approval from the PUC to use the audit date as the “demarcation” date (the date that segregates pre-and-post WRAP usage) for billing analysis as part of its current plan. PPL proposes to use the installation date or the date of the last installed major measure, for the annual reports due 2017-2019 so that the Company can include any case without a LIURP audit date (e.g. audit done in conjunction with Act 129 WRAP) in the analysis. The Company will continue to secure an analysis of both the audit (initial visit) and installation date as part of its data collection.

PPL Electric is currently modifying LEAP to capture all data for PUC reports and to facilitate report preparation. PPL Electric plans on submitting data

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<sup>17</sup> PPL Electric partnered with the NSSC to develop standards for ductless heat pump inspection and related training in conjunction with the Act 129 Phase 2 De Facto Heat Pump Pilot (2016).

<sup>18</sup> The Bureau of Consumer Services (BCS) uses Penn State to analyze the annual LIURP report.

<sup>19</sup> PPL Electric hired the Cadmus Groups to prepare the billing/usage analysis for the 2012, 2013, and 2014 LIURP Narrative Reports as submitted to BCS in April 2014, 2015, and 2016.

from LEAP, including weather-normalized pre-and-post WRAP consumption data, to Penn State for the annual reports due 2017-2019.

PPL Electric is required to submit a third-party evaluation on its universal service programs to the PUC every six years. Approximately 15 percent of the evaluation is dedicated to WRAP and funded through the LIURP budget. PPL's next Universal Service Program evaluation is due to the Commission in October 2020. The Company will begin the evaluator selection process in the fourth quarter of 2019.

## 10. WRAP Contractors

The table below lists the organizations that serve PPL Electric's Universal Service WRAP Program (LIURP), their contact information and scope of work.

WRAP Contractor	Contact Information	Scope of Work
Berks Community Action Program (BCAP)	P.O. Box 22 Reading, PA 19603 610-376-6571 <a href="mailto:info@bcapberks.org">info@bcapberks.org</a>	Auditing General Contractor/Installation Energy Education
Community Action Committee of Lehigh Valley (CACLV)	1337 E. Fifth St. Bethlehem, PA 18015 610-691-5620 <a href="http://www.caclv.org">www.caclv.org</a>	General Contractor/Auditing and Installation Inspection Energy Education
Carbon County Action Committee (CCAC)	267 S. Second St. Lehigh, PA 18235 610-377-6400 Ccachs.com	Auditing Installation Energy Education
Commission on Economic Opportunity	165 Amber Lane P.O. Box 1127 Wilkes-Barre, PA 18702 570-826-0510 <a href="http://www.ceopeoplehelpingpeople.org">www.ceopeoplehelpingpeople.org</a>	Auditing Installation Energy Education
CLEAResult Consulting, Inc.	525 Greenfield Rd., Suite 201 Lancaster, PA 17601 973-713-1393 (Kyle Haddock) <a href="mailto:CLEAResult_BD@clearresult.com">CLEAResult_BD@clearresult.com</a>	Auditing Installation Energy Education
Custom Weatherization, LLC	1855 Weaversville Rd. Allentown, PA 18109 610-861-5290	Auditing Installation Energy Education

WRAP Contractor	Contact Information	Scope of Work
	<a href="http://www.trueenergysaver.com">www.trueenergysaver.com</a>	
Energy Conservation Center, LLC	3946 Haycreek Rd. Birdsboro, PA 19508 610-913-6397 (Michael Williams)	Installation
Green Kite, Inc.	902 S. Center St. Gratz, PA 17030 <a href="mailto:danny@greenkite.co">danny@greenkite.co</a> (Dan Rodichok)	Auditing – Baseload Installation – Baseload Inspection Energy Education
JES Consulting/John Smith	1446 Bunting St. Pottsville, PA 17901 570-544-2613	Inspection Energy Education
K E Barnes Consulting	226 N. Hartley Rd. Hershey, PA 17033 <a href="mailto:kebarnesconsulting@yahoo.com">kebarnesconsulting@yahoo.com</a> (Kathy Barnes)	Auditing – Baseload Installation – Baseload Energy Education
Logical Energy Diagnostics	368 Old River Rd. Thornhurst, PA 18424 570-795-5632	Inspection Energy Education
MT Weatherization	621 Laudermlch Rd. Hummelstown, PA 17036 717-925-5665 <a href="http://www.mtwx.biz">www.mtwx.biz</a>	Auditing Installation/HVAC Inspection Energy Education
Ohm Weatherization & Renewable Energy	3208 Easton Ave. Bethlehem, PA 18020 610-758-8271 (John Ohm)	Auditing Installation Energy Education
Progressive Conservation, LLC	1464 Silver Spring Rd. Drumore, PA 17518 717-341-2409 (John Adams)	Auditing Energy Education Installation - Baseload
Pure Energy Coach	10 N. Bausman Dr. Lancaster, PA 17603 717-293-8990 <a href="http://www.PureEnergyCoach.com">www.PureEnergyCoach.com</a>	Investigative Inspections Field Observations/Training
Rovegno's of Carlisle	401 E. Louther St. Carlisle, PA 17013 717-249-6061 <a href="http://www.rovegnosofcarlisle.com">www.rovegnosofcarlisle.com</a>	Auditing Installation Energy Education



WRAP Contractor	Contact Information	Scope of Work
Schuylkill Community Action (SCA)	255 N. Centre St. Pottsville, PA 17901 570-622-1995 <a href="http://www.schuylkillcommunityaction.com">www.schuylkillcommunityaction.com</a>	Auditing Installation Energy Education
Seda-Council of Governments (Seda-COG)	201 Furnace Rd. Lewisburg, PA 17837 570-524-4491 <a href="http://www.seda-cog.org">www.seda-cog.org</a>	Auditing Installation Energy Education
Sellair, LLC.	4388 Commerce Dr. Whitehall, PA 18052 484-554-8181 <a href="http://www.sellairllc.com">www.sellairllc.com</a>	Auditing Installation Energy Education
Solair Energy	2174 Grover Rd. Canton, PA 17724 570-673-4004 <a href="http://www.solaireenergy.com">www.solaireenergy.com</a>	Auditing Installation Energy Education
STEP, Inc.	2138 Lincoln St. Williamsport, PA 17701 570-601-9651 <a href="http://www.stepcorp.org">www.stepcorp.org</a>	Auditing Installation Energy Education
The Village Green	420 W. Grant St. Lancaster, PA 17603 717-799-2432 <a href="http://www.tvghomes.com">www.tvghomes.com</a>	Auditing Installation Inspection Energy Education
True Management LLC	431 Clearfield St. Freemansburg, PA 18017 484-866-8011 <a href="http://Truemanagementllc.com">Truemanagementllc.com</a>	Auditing Installation Energy Education
The Redevelopment Authority of the County of Wayne (WCRA)	P.O. Box 185 Honesdale, PA 18431 570-253-4882 (Robbin Morgan)	Auditing Installation Energy Education

## 11. Summary of Differences Between Proposed and Current Plans

The table below depicts the key program changes between the current plan and the proposed plan (2017-2019).

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
1	Funding	\$9,500,000 <sup>20</sup>	\$10,000,000
2	Projected – Customers Served	1,900 Full Cost 800 Low Cost 400 Baseload	2,010 Full Cost 575 Low Cost 715 Baseload <sup>21</sup>
4	Compliance with OnTrack	Customers are required to participate in WRAP	Customers are strongly encouraged to participate in WRAP. Implement the automatic referral process for high usage OnTrack customers into WRAP by June 2018
5	Outbound/Intake (Primary Methods)	<ol style="list-style-type: none"> <li>1. Outbound/inbound calls or letters from PPL Corporation.</li> <li>2. Electronic referrals from OnTrack agencies to PPL's CSS System</li> <li>3. PPL Electric responds to inquiries via its website<sup>22</sup></li> <li>4. Referrals from other weatherization programs</li> <li>5. Direct customer referrals through customer calls , advertising or outreach events</li> <li>6. Referrals to PPL</li> </ol>	<ol style="list-style-type: none"> <li>1. Outbound/inbound calls and letters from a designated Customer Care Center. The Call Center will handle calls for potential LIURP and Act 129 customers.</li> <li>2. Customer completes an on-line application on PPL Electric's website</li> <li>3. Referrals from other weatherization programs, including Act 129</li> </ol>

<sup>20</sup> PPL Electric increased its WRAP budget from \$9,500,000 to \$10,000,000 in 2016 in accordance with a distribution rate case settlement

<sup>21</sup> PPL Electric projects to serve an additional 7,000 customers per year through its Act 129 direct install program.

<sup>22</sup> PPL Electric deployed an on-line WRAP Application in March 2015.

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
		Electric staff from agencies and community organizations	WRAP 4. Direct customer referrals through customer calls, advertising and outreach events 5. Referrals from OnTrack agencies and community organizations. (Intake method will vary.)
6	Energy Education (EE)	<ol style="list-style-type: none"> <li>1. Initial EE session during WRAP audit</li> <li>2. Follow-up EE session during WRAP inspection or to electric heat customers by request</li> <li>3. Remedial EE post-WRAP upon customer request</li> <li>4. Remedial EE for “high usage” OnTrack customers not eligible for WRAP</li> </ol>	<ol style="list-style-type: none"> <li>1. Initial EE session during WRAP audit</li> <li>2. Follow-up EE session during WRAP inspection or to electric heat customers</li> <li>3. Remedial EE post-WRAP as a result of post-usage monitoring</li> <li>4. Feedback mechanism (TBD) for customers 12 months after receiving WRAP</li> </ol>
7	Health and Safety (H&S) Allowance	<ol style="list-style-type: none"> <li>1. \$650 allowance for electric heat customers without PPL approval</li> <li>2. \$250 allowance for comfort, health and safety measures for non-heating customers.<sup>23</sup></li> </ol>	<ol style="list-style-type: none"> <li>1. \$650 allowance for electric heat customers without PPL approval; PPL will address more extensive measures (e.g. mold) that inhibit the installation of full cost measures.</li> </ol>

<sup>23</sup> PPL Electric agreed to incorporate \$250 in comfort, health and safety measures in accordance with the PUC’s Final Order for its 2014-2016 USP Plan

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			2. \$250 allowance for comfort, health and safety measures for non-heating customers.
8	Installed Measures		<p>Added:</p> <ol style="list-style-type: none"> <li>1. Light-omitting diode bulbs (LEDs), replaced Compact Fluorescent Light bulbs (CFLs)</li> <li>2. Measures needed for Municipal Requirements</li> </ol> <p>Removed:</p> <ol style="list-style-type: none"> <li>1. Window Tints</li> </ol>
9	Pilots	Defined the process for reviewing pilot suggestions	<ol style="list-style-type: none"> <li>1. Ductless Heat Pump Pilot</li> <li>2. Other, as determined by PPL's pilot process</li> </ol>
10	Energy Monitors	Evaluation support for the "WIPP" Pilot conducted by the Commission on Economic Opportunity and the Department of Energy for WRAP customers. Additional applications TBD.	PPL WRAP staff will work with the PPL's Metering Team to explore the feasibility of a Home Area Network for low-income customers in preparation for 2020-2023 Three Year Plan
11	Inter-utility Coordination	Provided explanation of the cross-referral process	<p>Additional Initiatives:</p> <ol style="list-style-type: none"> <li>1. Quarterly communications with contractors that will include changes in WRAP as well as other utility programs.</li> </ol>

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			<ul style="list-style-type: none"> <li>2. Monitoring contractor coordination efforts through LEAP.</li> <li>3. Provide WAP contractors with referral postcards.</li> <li>4. Screen customer lists by agencies as provided by agencies for WRAP referrals</li> </ul>
12	IT Enhancements	<ul style="list-style-type: none"> <li>1. “Re-Write” and consolidation of WRAP Systems. The new system, deployed in 2015, is the Low-Income Energy Assistance Programs (LEAP).</li> <li>2. Deployment of on-line WRAP Application</li> </ul>	Ongoing enhancements to LEAP based on “user” feedback or as needed to comply with regulatory or Company requirements
13	Reporting	Use the audit or initial visit as the demarcation date for the pre-and-post evaluation period	Use the installation date as the demarcation date for the pre-and-post period
14	Evaluation	None	Begin the selection process for the 2020 third-party USP Evaluation as required by the PUC.
15	Procedural	Company periodically met with stakeholders to discuss Universal Service Program issues.	Company will meet twice a year with stakeholders to discuss Universal Service Program issues.
16	Usage Criteria	No minimum usage threshold	Implement a 6,000 annual kWh minimum

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			threshold. The threshold does not apply to jobs coordinated with other programs, including multi-unit projects served by Act 129 WRAP.

## **Operation HELP**

**PPL Electric Utilities Corporation**  
**Operation HELP Assistance Program**

## **1. Program Description & Overview**

Operation HELP is a hardship fund supported by donations from PPL Corporation, its employees, retirees, and customers. The program targets low-income customers who have overdue balances and an inability to pay the full amount of their energy bills. Operation HELP defines low-income as households that have annual incomes at or below 200 percent of the federal poverty level (FPL).

The primary features of Operation HELP include:

- Direct financial assistance for overdue energy bills
- Protection against shutoffs
- Referrals to other programs and services

Operation HELP is available on a year-round basis throughout the Company's service area. However, due to the demand for energy assistance, some agencies may stop taking applications for a period of time because they have exhausted their current funding. Because of ongoing donations from contributors, PPL Electric Utilities Corporation (PPL Electric or the Company) disburses funding quarterly to the 15 community-based organizations (CBOs) that administer Operation HELP. Funding for the program pays for any type of home energy bill (e.g., gas, coal, oil and electric).

## **2. Background**

Begun in March 1983, Operation HELP was one of the early utility-sponsored hardship funds in the nation. Through its annual promotional campaign, PPL Electric encourages customers to contribute by adding an extra \$1, \$2, or \$5 to their monthly electric bill or by sending in one-time, lump-sum checks. Approximately 15,000 customers give to Operation HELP via their electric bill payments. PPL Electric's customer service billing system has the flexibility to allow customers to give any amount to the program and to choose a specific period (e.g., contribute \$10 monthly over the winter).

Employees may support Operation HELP as customers or through payroll deduction. About 1,500 employees give to the program via payroll deduction.



In addition, PPL Electric encourages retirees to give in two ways: pension deduction or a one-time separate check donation.

### **3. Objectives**

The overall objectives of Operation HELP are as follows:

1. Provide financial assistance to qualified low-income families who are having difficulty paying the full amount of their energy bills;
2. Offer financial assistance to low-income households that are ineligible for the federally funded Low-Income Home Energy Assistance Program (“LIHEAP”);
3. Expand the capabilities of CBOs that provide energy-related assistance; and
4. Administer a year-round program as funding permits.

### **4. General Administration**

To administer Operation HELP, PPL Electric partners with 15 CBOs that have extensive experience in delivering human services. The administration of the program is collaboration between these organizations and the Company. The primary duties include the following.

PPL Electric:

- Collect and disburse contributions to the CBOs.
- Provide corporate funding to support program administration.
- Process Operation HELP payments.
- Solicit donations annually from customers, employees and retirees.
- Oversee the administration of the program.
- Maintain close working relationships with the CBOs.
- Conduct procedural audits to review performance.
- Complete PUC-required reports.

Operation HELP CBOs:

- Conduct intake and verify applicants’ eligibility.
- Process Operation HELP authorization forms.
- Send timely payments directly to energy vendors.

- Refer applicants to other assistance programs.
- Establish a separate account for processing donations and disbursements.
- Maintain detailed program records and arrange for an annual financial audit of Operation HELP.

## **5. Control Features**

The decision to give to any charitable cause involves several factors. One of the most important is the belief by contributors that the charitable organization uses their funds properly. PPL Electric encourages the Operation HELP administering organizations to have a Certified Public Accounting (CPA) firm conduct an annual financial audit of the program. Some of the CBOs complete their Operation HELP audit in conjunction with their annual federal and state-funded program audits.

To supplement the CPA audit, PPL Electric conducts annual procedural audits of the CBOs that administer Operation HELP. The primary purposes of the audit include:

1. Review the CBOs' record keeping procedures;
2. Discuss the findings with the CBOs and implement corrective action where necessary;
3. Monitor the CBOs adherence to Operation HELP guidelines and procedures; and
4. Ensure the proper expenditure of donations

PPL Electric prepares monthly reports that monitor and track the CBOs' performance. The Company provides monthly feedback (e.g., electronic copy of reports) to the agencies regarding Operation HELP results. The PPL management team also conducts meetings throughout the year with the CBOs to discuss progress and special situations.

The Company uses its outside auditor to review internal procedures and records regarding Operation HELP. The audit includes, among other things, a review of record-keeping procedures and a reconciliation of donations from a sampling of customers.

## **6. Eligibility Criteria**

PPL Electric established the eligibility criteria in cooperation with the Operation HELP administering organizations. As a general rule, customers with household incomes at or below 200 percent of the FPL and other hardships are eligible for assistance.

Under the Operation HELP guidelines, a customer can receive assistance once in a calendar year. However, the Company gives the CBOs the flexibility to review referrals on a case-by-case basis if customers have compelling and extenuating circumstances. The Operation HELP organizations must consult with PPL Electric's Regulatory Program Specialists (RPSs) to discuss the individual cases with extenuating circumstances. The RPSs have responsibility for the day-to-day administration of the Company's universal service programs.

Operation HELP applicants are not automatically eligible for assistance by virtue of their income, age or family circumstances. The Company targets program funds for income-eligible customers who face hardships and have an inability to pay the full amount of their energy bills. PPL Electric does not use customer, employee or retiree donations for administrative expenses, weatherization measures, food, winter clothing or promotional activities.

When interviewing applicants for Operation HELP, the CBOs generally consider the following factors:

- Death of primary wage earner
- Serious injury or illness to primary wage earner
- Life-threatening or health-threatening situations
- Families with infants
- Households with elderly or disabled occupants
- Eligibility for LIHEAP
- PPL Electric overdue amount and payment history

## **7. Projected Needs Assessment**

The need for energy assistance exceeds the resources currently available through Operation HELP. Although donations have increased over the years, they have leveled off since 2008 at approximately \$1.4 million annually from all sources. PPL Electric started Operation HELP to address customers' needs and to supplement LIHEAP's efforts. Nevertheless, the Company is committed to increasing donations and to improving implementation processes.

PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>24</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

Collection data for 2015 (monthly averages) shows approximately 1,226,000 total residential households. Of that total, approximately 47,500 households (or 4 percent) had an overdue balance and were on a payment agreement. In addition, approximately 92,700 (or 8 percent) residential households had an overdue balance and were not on a payment.

Depending on factors such as overdue amount, payment arrangement history, and extenuating circumstances, the Company's Customer Service Representatives refer these customers to programs like the Customer Assistance Program (CAP) known as OnTrack, the Company's Low-Income Usage Reduction Program (LIURP) known as the Winter Referral Assistance Program (WRAP), Customer Assistance and Referral Evaluation Service (CARES), Operation HELP and LIHEAP when available.

Because the Company uses 200 percent of the federal poverty guidelines for the Operation HELP program, PPL Electric projects it can assist about 3,900 customers annually (2017 through 2019) with estimated funding of approximately \$1.4 million yearly.

## **8. Project Enrollment Levels**

PPL Electric based its projected enrollment levels for 2017 through 2019 on an estimated \$1.4 million in funding for Operation HELP from all donation sources (e.g., PPL Corporation, customers and employees) and a historical average grant amount. The projection also considers that the Company earmarks about 11 percent of its corporate contribution for agencies' administrative

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<sup>24</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.

expenses. The average Operation HELP grant is approximately \$346 per customer<sup>25</sup>. The projected enrollment levels are as follows:

Year	Enrollment Level
2017	3,900
2018	3,900
2019	3,900

## 9. Program Budget

The projected level of donations from PPL Electric, its customers, employees and retirees determines the number of customers assisted annually. The Company will actively solicit donations from these groups from 2017 through 2019. Solicitation activities will include, but are not limited to, the following:

Method	Timeframe	Audience
Bill Insert and Bill Message	Summer, Winter	All Customers
Enrollment Form	Summer, Winter	All Customers
Return Postcard	Summer, Winter	EFT Customers <sup>26</sup>
PPL Electric President Letter	Summer, Winter	Employees and Retirees
News Release	Summer, Winter	General Public
Response to Customer Inquiries	Summer, Winter	All Customers
Internal Electronic Newsletter	Summer, Winter	Employees

In addition, PPL Electric conducts other fundraising activities for Operation HELP (e.g., golf tournament). The Company's tariff has a provision that directs all final bills with balances less than five dollars to the Operation HELP hardship fund.

<sup>25</sup> Based on 2015 Universal Service Reporting Requirements (USRR) data.

<sup>26</sup> EFT (electronic fund transfer) pertains to customers who have given PPL Electric permission to deduct their bill payments and donations automatically from their bank accounts.

The projected budget amounts shown below for 2017 through 2019 will remain relatively flat.

Year	Funding Level (estimate)
2017	\$1,400,000
2018	\$1,400,000
2019	\$1,400,000

## **10. Plans to Use Community-Based Organizations (CBOs)**

PPL Electric collaborates with 15 CBOs to administer Operation HELP throughout its 10,000 square mile service area in central and eastern Pennsylvania. Almost all of these CBOs have administered the program since its inception in March 1983. Many were involved in the planning meetings the Company conducted in 1982 to develop the guidelines and procedures for Operation HELP. The CBOs use approximately 40 caseworkers at 25 sites (main offices and satellite locations) to administer the program. Not all of these caseworkers focus solely on Operation HELP. They may have duties such as assisting in the administration of OnTrack or implementing other programs offered by their agencies.

The Operation HELP CBOs process referrals, schedule and conduct interviews, determine eligibility, refer applicants to other assistance programs, and send payments to energy vendors. In addition, the Company has implemented a process improvement whereby CBO caseworkers enter the information directly into a database via a web-based authorization form. PPL Electric's database is a repository for record keeping, analysis of program performance and to generate various reports. The authorization forms include demographic and funding data for every customer assisted by Operation HELP.

The following table shows the 15 Operation HELP administering organizations and counties they serve.

Organization	Phone	Counties Served
Carbon County Action Committee	610-377-6400	Carbon
Casa Guadalupe Center	610-435-9902	Bucks, Lehigh, Northampton

Organization	Phone	Counties Served
Christian Churches United	717-230-9550	Dauphin, York, Juniata, Cumberland
AGAPE	570-317-2210	Columbia, Montour
Commission on Economic Opportunity	570-826-0510	Luzerne
Community Action Program of Lancaster County	717-299-7301	Lancaster, Lebanon, Berks, Chester
Pocono Alliance	570-517-5367	Monroe
Open Line, Inc.	215-679-4112	Montgomery
Perry County Family Center	717-582-3656	Perry
Schuylkill Community Action	570-622-1995	Schuylkill
STEP, Inc.	570-327-5485	Lycoming, Clinton
United Neighborhood Centers of Northeastern Pennsylvania	570-343-8835	Lackawanna
TREHAB, Inc.	570-253-8941	Pike, Susquehanna, Wayne, Wyoming
Union-Snyder Office of Human Resources	570-374-0181	Union, Snyder, Northumberland
Upper Dauphin County Human Services	717-262-3321	Dauphin

## 11. Organizational Structure of PPL Electric Staff

PPL Electric's Regulatory Programs and Business Services (RP&BS) work group oversees the administration of Operation HELP. RP&BS is part of the Customer Services Department. RP&BS staff provides program oversight and field personnel manage the day-to-day administration of the program.

Program Management Staff:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services

Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region

Administrative Support:

- Cheryl Mohr, Steno/Clerk

## **12. Differences between Approved Plan and Proposed Plan**

PPL Electric has consistently administered Operation HELP according to long-established guidelines and procedures. There are no major changes proposed in the current Plan (2017-2019) as compared to the prior Plan (2014-2016).



## CARES

## **PPL Electric Utilities Corporation**

### **Customer Assistance & Referral Evaluation Service (CARES)**

#### **1. Program Description & Overview**

The Customer Assistance and Referral Evaluation Service (CARES) program is a special referral service for customers with temporary hardships, such as illness, injury, loss of job or high medical bills. The program recognizes that people are sometimes victims of circumstances beyond their control. These conditions create hardships that are difficult to address without some type of assistance. CARES plays a role in responding to customers who have special circumstances.

The primary features of CARES include:

- Protection against shutoff of electric service
- Referrals to other programs and services
- Possible financial assistance for overdue electric bills

The program is available to residential customers, regardless of income level, who face a temporary hardship that could result in the loss of electric service. PPL Electric Utilities Corporation (PPL, PPL Electric, or the Company) defines temporary as a time period of three months or less. The Company refers low-income customers with longer-term problems to its Customer Assistance Program (CAP) known as OnTrack, which offers reduced payment amounts, arrearage forgiveness and referrals to other assistance programs.

#### **2. Background**

PPL Electric started CARES as a six-month pilot program in 1980-81. The Company conducted the pilot in three areas: Lancaster, Harrisburg, and Hazleton. Following an evaluation of the pilot, the Company implemented CARES as a system-wide program in February 1982. PPL Electric appointed CARES Representatives in each region and they reported to the local Consumer Affairs Director.

In April 1995, PPL Electric merged the positions of Consumer Affairs Director and CARES Representative into a new position called Customer Assistance Representative. PPL Electric renamed this position as the Customer Programs Director (CPD) in March 1997 and later as Regulator Programs Specialist (RPS)

in 2015. The PPL Program Manager will develop program guidelines and communications, set funding levels, and resolve escalated customer issues. The RPS provides the day-to-day administration of the CARES program. In addition, the RPS develops and maintains effective working relationships with a variety of community-based organizations (CBOs) and supports outreach efforts for the Low-Income Homes Energy Assistance Programs (LIHEAP) in each of their operating areas.

The primary objectives of the CARES program are to:

1. Help customers who are experiencing temporary hardships to prevent termination of service and to manage their overdue electric bills by providing them with information and resources;
2. Make referrals to Company and/or community assistance programs; and
3. Act as an internal advocate for residential payment-troubled customers

### **3. Program Design**

#### **3.1. Referrals & Assistance Coordination**

PPL Electric's support staff communicates directly with CARES customers. They attempt to match customers' needs with existing Company and/or community programs. The RPSs or support staff analyzes customer accounts and circumstances to determine the basic cause(s) of their bill-payment problems. They may refer customers to appropriate programs and services offered by various agencies or PPL Electric.

#### **3.3. Networking**

Another key responsibility of the PPL management team is to establish close working relationships with CBOs and departments within PPL Electric. Social service agencies and other community groups are essential to the success of CARES because they provide the needed services for payment-troubled customers. The PPL management team established a network of agencies throughout PPL Electric's service area. The Company has more than 30 years of experience in working effectively with various CBOs. The management team also works closely with internal work groups like the Customer Contact Center, Revenue Assurance, Field Operations, and Corporate Communications.

#### **3.4. CARES Credits**

A unique feature of PPL Electric's CARES program is a provision for CARES Credits. The CARES recipient receives these credits to help pay electric bills. There are circumstances where neither PPL Electric nor social service agencies can provide sufficient and/or timely assistance to customers. Programs may have closed (e.g., LIHEAP) or the customer is ineligible for services because his or her household income is above program guidelines.

The typical annual CARES Credit budget is \$54,000, which comes from PPL Corporation's annual donation to Operation HELP. No formal guidelines exist for the use of CARES Credits because PPL Electric applies the funds on a case-by-case basis. The RPSs often use the credits for customers confronted with high medical bills or the death of the primary wage earner. In 2015, 158 customers received assistance through CARES Credits. The average grant was approximately \$342 during this period.

#### **4. Eligibility Criteria**

Referrals to the CARES program originate from PPL Electric's Customer Contact Center (CCC) Customer Service Representatives (CSRs), social agency caseworkers, and self-referrals. PPL Electric established referral criteria for CCC employees and CBO caseworkers to use as a screening device to ensure appropriate referrals to CARES services. In practice, the CCC's CSRs refer most customers to the program.

CSRs and CBO caseworkers refer customers to CARES when the following conditions exist:

- Illness, injury or high medical bills
- Previously good-paying customers with temporary hardship situation
- Recent loss of job or major reduction in household income
- Death of primary wage earner
- Confused and disoriented customer

The above referral criteria do not address every customer situation or hardship. The CCC representatives and agency caseworkers use their judgment and discretion in referring customers to CARES who may not precisely match the referral criteria. If unusual conditions exist, the support staff consults with the local CPD to discuss the situation.

## 5. Projected Needs Assessment

The program is available to any residential customer regardless of income. However, CARES bases eligibility on customers' individual needs and concerns, and targets households with temporary hardships. PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>27</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

Collection data for 2015 (monthly averages) shows approximately 1,226,000 total residential households. Of that total, approximately 47,500 households (or 4 percent) had an overdue balance and were on a payment agreement. In addition, approximately 92,700 (or 8%) residential households had an overdue balance and were not on a payment. Assuming the accumulation of past due money correlates to a temporary (or longer term) hardship of some type, these statistics provide some insight regarding the financial challenges facing some of PPL's customers.

The number of low-income households with overdue balances and other hardships has provided a sufficient number of referrals to CARES in the past. PPL Electric believes that CARES will continue to serve the needs of a specific segment of residential customers.

## 6. Projected Enrollment Levels

PPL Electric bases the projected enrollment levels on its historical experience with CARES. In 2015, for example, there were 850 customer referrals to the program. Of this total, 158 customers had CARES Credits applied to their account. The Company projects that the number of CARES referrals will likely remain at around 850 annually. PPL Electric now refers many low-income, payment-troubled customers to OnTrack, which is a special payment program, instead of CARES. Because OnTrack offers a longer-term solution, it may be a better alternative than CARES.

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<sup>27</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.

The projected enrollment levels will remain flat as shown in the table below for 2017 through 2019.

Year	CARES Referral Estimate
2017	850
2018	850
2019	850

## 7. Program Budget

The annual expenditure for CARES in 2017 is approximately \$101,000: \$47,000 for staff who support the program and \$54,000 for CARES Credits. There is no specific operating and maintenance budget for CARES per se. PPL Electric estimates that the time spent by PPL Electric staff in support of the program is valued at \$47,000 annually. These expenses are included in the Company's base rates. As noted earlier, the RPSs use the remaining \$54,000 of CARES Credits to assist customers who need help and have run out of options.

The projected budget amounts shown below for 2017 through 2019 will remain relatively flat. The annual increases represented below are due to increases in staff wages and overhead costs.

Year	Total Funding Level <sup>28</sup>
2017	\$100,940
2018	\$103,968
2019	\$107,087

## 8. Plans to use Community-Based Organizations (CBOs)

PPL Electric recognizes the importance of establishing and maintaining its network of contacts and working relationships with the CBOs. Public-private partnerships are essential in providing services and programs to residential customers, especially low-income households. The following list is a fair representation of agencies that the CPDs work with to address customer problems.

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<sup>28</sup> The slight annual increase is due to salary expenses.

## Lehigh Region

- Area Agencies on Aging
- Carbon County Action Committee
- Casa Guadalupe
- Children and Youth Protective Services
- Community Action Committee of the Lehigh Valley
- Conference of Churches
- Consumer Credit Counseling Service
- Lehigh County Assistance Office
- Lehigh County Office of Adult Services
- Lehigh Valley Hospital Center
- Monroe County Assistance Office
- Northampton County Assistance Office
- Open Line, Inc.
- Pathways
- Second Harvest Food Bank
- The Salvation Army – Stroudsburg

## Northeast Region

- Area Agencies on Aging
- Columbia County Human Services
- Commission on Economic Opportunity
- Consumer Credit Counseling Service
- County Assistance Offices
- Penn State Cooperative Extension
- Schuylkill Community Action
- Scranton/Lackawanna Human Development Agency
- The Salvation Army
- TREHAB, Inc.

## Susquehanna Region

- Area Agencies on Aging
- Consumer Credit Counseling Services
- County Assistance Offices
- Lycoming County Task Force
- Interdiscipline Human Resource Council
- Montour County Human Services
- Penn State Cooperative Extension
- STEP, Inc.

- Union/Snyder Office of Human Resources

#### Southwest Region – Lancaster

- Catholic Charities
- Central Pennsylvania Legal Services
- Community Action Program of Lancaster County
- Consumer Credit Counseling Service
- Council of Churches
- Hospice of Lancaster
- Spanish-American Civic Association
- Tabor Community Services
- United Way LINC

#### Southwest Region – Harrisburg

- Area Agencies on Aging
- Christian Churches United
- Consumer Credit Counseling Service
- County Assistance Offices
- Cumberland County Community Services
- Cumberland County Human Services
- Dauphin County Food Bank
- New Hope Ministries
- The Salvation Army
- Tri-County Commission on Community Action
- Urban League of Metropolitan Harrisburg

### **9. Organizational Structure of PPL Electric Staff**

PPL Electric's Regulatory Programs and Business Services (RP&BS) work group has oversight responsibility for CARES. RP&BS is part of the Customer Services Department and provides direction for the program. The Regulatory Programs Specialists (RPSs) oversee the day-to-day administration of CARES.

#### Program Management Staff:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services



- Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services

Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region

Administrative Support:

- Cheryl Mohr, Steno/Clerk

Universal Service Representative (USR):

- Kimberly Brummett

## **10. Differences between Approved Plan and Proposed Plan**

PPL Electric has consistently administered CARES according to long-established guidelines and procedures. There are no major changes proposed in the current Plan (2017-2019) as compared to the prior Plan (2014-2016).