

PPL Electric Utilities Corporation

DEFINITIONS

The following words and terms, when used in this Tariff, have the following meanings:

Agricultural Customer-Generator – A retail electric customer-generator whose alternative generating facility is: (a) an anaerobic digester or biogas generation system fueled primarily by biologically derived methane gas, as defined in the AEPS Act — meaning gas from the anaerobic decomposition of animal waste, agricultural residue, or food processing waste—at a facility on land actively used for agricultural production; (b) owned or operated by a person or entity primarily engaged in animal agricultural operations, including, but not limited to, dairying, poultry production, and swine production; and (c) not included within the scope of this definition are biodigesters that operate as commercial off-farm facilities, such as standalone or regional plants.

Alternate Service – An alternative source of electric service furnished by the Company to a premises.

Alternative Energy Credits (AECs) – A tradable instrument that is used to establish, verify, and monitor compliance with this act. A unit of credit shall equal one megawatt hour of electricity from an alternative energy source. The alternative energy credit shall remain the property of the alternative energy system until the alternative energy credit is voluntarily transferred by the alternative energy system. (Def. amended July 17, 2007, P.L. 114, No. 35)

Alternative Energy Portfolio Standards - Standards establishing that a certain amount of energy sold from alternative energy sources is included as part of the sources of electric generation by electric utilities within this Commonwealth.

Application for Service - An application submitted by an applicant requesting the Company to extend and provide electric service. This term is distinct from an Interconnection Application.

Back-up Contract Demand - Maximum amount of Back-up Power to be supplied by the Company specified in the Stand-by Service Contract.

Back-up Power - Electric energy and capacity supplied by the Company to replace the energy and capacity ordinarily generated by the Customers on-site generation which is not available during an unscheduled outage.

CIAC – Contribution in Aid of Construction.

Commission – Pennsylvania Public Utility Commission

Company – PPL Electric Utilities Corporation

Company Facilities - Electric facilities owned and operated by the Company.

Contractor Costs – Costs incurred by a contractor as part of a line extension or relocation of facilities.

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

DEFINITIONS (CONTINUED)

Contribution in Aid of Construction - A nonrefundable donation or contribution in cash or properties from an individual, governmental agency, or other entity for construction or property-addition purposes.

Customer Charge - The basic service charge to partially cover costs for billing, meter reading, equipment, and service line maintenance.

Customer-generator - A nonutility 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 or not larger than 3,000 kilowatts at other customer service locations, except for customers whose systems are above three megawatts and up to five megawatts who make their systems available to operate in parallel with the electric utility during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the primary or secondary 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 an electric distribution company, electric cooperative or municipal electric system have been promulgated by the Institute of Electrical and Electronic Engineers and the Pennsylvania Public Utility Commission.

Default Service Provider - An electric distribution company within its certified service territory or an alternative supplier approved by the commission that provides generation service to retail electric customers who:

- (1) contract for electric power, including energy and capacity, and the chosen electric generation supplier does not supply the service; or
- (2) do not choose an alternative electric generation supplier.

Default Service – Electric generation supply service provided pursuant to a default service program to a retail electric customer not receiving service from an EGS.

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

Development Area - Areas being developed for new construction of residential, commercial, or industrial buildings.

Direct Costs - Equal to the 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.

Distribution Charge (Delivery) - Part of the basic service charges on every customer's bill for delivering electricity from the electric distribution company to your home or business. The distribution charge is regulated by the Public Utility Commission. This charge will vary according to how much electricity you use.

DEFINITIONS (CONTINUED)

Distribution Line Facilities - Company-owned facilities associated with the distribution line that are located upstream of the service line.

Distribution Service - The delivery of electricity to your home or business. This includes local wires, transformers, substations and other equipment used to deliver electricity to end-use consumers from the high-voltage transmission lines.

Distribution System – The portion of the electric system that is dedicated to delivering electric energy to an end-user. For purposes of this tariff, the distribution system includes all lines energized at voltages less than the nominal 69,000 volts and excludes service extensions and lines energized at voltages of the 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, to:

- (1) provide safe, reliable, and adequate retail electric service to customer taking service at voltages of 69,000 volts and above; and
- (2) provide just and reasonable and non-discriminatory distribution and transmission rates, terms, and conditions of service to such customers.

Dwelling – A living space consisting of at least permanent provisions for shelter, dining, sleeping, and cooking, with provisions for permanent electric, water, and sanitation services.

EDC – Electric Distribution Company

EGS – Electric Generation Supplier

Electric Distribution Company - The public utility providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving the building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

Electric Generation Supplier - A person or corporation, generator, broker, marketer, aggregator or any other entity licensed by the PUC that sells electricity to customers, using the transmission or distribution facilities of EDC.

Extraordinary Storms - An item that exceeds five percent (5%) of a utility's annual net income. The Company will consider storm damage expense exceeding 5% of the its annual distribution net income as extraordinary for SDER recovery purposes.

Fully Allocated Costs – Costs incurred by the Company, including overhead, that are allocated entirely to the customer at issue, except as may be further provided in this tariff.

GSC – Generation Supply Charge

ICAP – Installed Capacity

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

DEFINITIONS (CONTINUED)

Installed Capacity - The summer net capability of a generating unit as determined in accordance with PJM manual M-21, Rules and Procedures for Determination of Generation Capability and within the capacity interconnection right limits of the bus to which it is connected.

Interconnection Application - An application submitted by an interconnection applicant seeking to interconnect an alternative energy source with the Company's distribution system.

Large C&I – Large Commercial and Industrial. Except as may be further defined in this tariff, Large C&I consists of Rate Schedules LP-4, LP-5, and LP-6.

Legal Rate of Interest – An interest rate of six (6) percent per annum, or the interest rate defined by 41 P.S. § 202 or its successor.

Line Extension - Any construction of Company-owned electrical facilities and equipment beyond the existing distribution system that are needed to serve a new electric service applicant, including, but not limited to, transformers, and transformer devices.

Line Extension Guarantee - The required amount of distribution revenue that an electric service applicant must guarantee for the Company to construct a line extension, as determined under Rule 3 of the Tariff.

Locational Marginal Price (LMP) - The marginal price for energy at the location where the energy is delivered or received. LMP is a pricing approach that addresses transmission system congestion and loss costs, as well as energy costs.

Maintenance Power - Electric energy and capacity supplied by an electric utility during scheduled outages of the Customer's on-site generation.

Maximum Registered Peak Load (MRPL) - A customer's net demand contribution impact to the Company's default service procurement activity, as determined by the net power flow metered from or into the Company's distribution or transmission systems. Subject to the grandfathering provisions of Rate GSC-1, the maximum registered peak load used to assign customers to their applicable rate schedule will be the customer's highest maximum registered peak load (kW) that coincides with the ICAP peaks as determined by PJM in the most recent 12-month period ending September 30. For new customers without a 12-month billing history, the maximum registered peak load shall be based on the Company's estimate using factors such as, but not limited to, similarly equipped buildings and similarly utilized buildings and square footage. As related to customer-generators, this estimate shall also be inclusive of the AC nameplate capacity of the generation system. Agricultural customer-generators shall not be subject to the MRPL classification, as set forth herein.

Multi-tenancy Commercial Building – Any structure which contains or houses three or more separate and distinct residential or commercial units.

MW – Megawatts

DEFINITIONS (CONTINUED)

Net Energy Output - The difference in energy between the Wholesale 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.

Net Service – The provision of service to a Wholesale Generation Facility under Rule 11.

Non-bypassable – Applicable to the rate schedules without exception.

Non-Profit Ambulance Service - 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.

Non-Profit Rescue Squad - 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.

Non-Profit Senior Citizen Center - 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-Residential Customer – A customer receiving service under a Small C&I or Large C&I rate schedule.

On-Peak Months – For purposes of Rule 6, the months of December through February and June through September.

Off-Peak Months – For purposes of Rule 6, the months of March, April, May, October, and November.

Pennsylvania Public Utility Commission – The state agency that provides oversight, policy guidance, and direction to public utilities in Pennsylvania.

PJM Reliability Pricing Model - PJM's capacity market design that includes a series of auctions to satisfy the reliability requirements of the region PJM serves for a delivery year.

Point of Delivery – The point designated by the Company where Company's service conductors are connected to customer's service entrance conductors, terminals, or bus.

PPL Electric – PPL Electric Utilities Corporation

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

DEFINITIONS (CONTINUED)

Price-to-Compare - A line item that appears on a retail customer's monthly bill for default service. The PTC is equal to the sum of all unbundled generation and transmission related charges to a default service customer for that month of service.

Primary Voltage – Voltage greater than 600 volts.

Prime Rate of Interest – The prime rate for commercial borrowing.

PTC – Price-to-Compare

PUC – Pennsylvania Public Utility Commission

QF – Qualifying Facility

Qualifying Facility - A cogeneration facility or a small power production facility which meets the criteria contained in 18 CFR Part 292 (relating to regulations under sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 with regard to small power producers and cogenerators).

Residential – Customers served under Rate Schedules RS and RTS (R).

REMSI – Rules for Electric Metering and Service Installations

RPM – Reliability Pricing Model

Secondary Voltage – Voltage of 600 volts or less.

Service extension - The extension of the Company's service line and associated facilities downstream from the distribution line to provide service to the customer.

Service Extension Facilities – Company-owned facilities that are located downstream of the distribution line, including the service line, and meter.

Small C&I – Small Commercial and Industrial. Except as may be further defined in this tariff, Small C&I consists of Rate Schedules GS-1, GS-3, BL,SA, SM (R), SHS (R), SLE, and SE.

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.

Standby Service Contract - Signed agreement between the customer and the Company that specifies the contractual demand levels for Supplementary Service, Back-Up Service, and Maintenance Service.

DEFINITIONS (CONTINUED)

Station Power - Energy used for operating the electric equipment on the site of a Wholesale 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 Wholesale 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 facilities unrelated to the operation of the Wholesale Generation Facility including, but not limited to buildings or structures on the site of such a Wholesale Generation Facility that are metered separately and served directly from the Company's distribution system.

Supplementary Contract Demand - Maximum amount of Supplementary Power to be supplied by the Company specified in the Stand-by Service Contract.

Supplementary Power - Electric energy and capacity supplied by the Company and regularly used in addition to the energy and capacity supplied by the Customer's on-site generation.

Total Contract Demand – The sum of Supplementary Contract Demand and Back-up Contract Demand.

Tenant - Any person or group of persons who occupies or is entitled to occupy a residential property, a commercial unit within a multitenancy building, parcel, or a unit in mobile home park and who is contractually obligated to make rental payments to a landlord or landlord ratepayer pursuant to a written or oral lease or rental arrangement. The term includes occupants of residential or commercial units where electric service is provided as an included service under the rental agreement and where the occupant is not the ratepayer of the utility providing such service. For purposes of this definition, a multitenancy building shall include any structure containing three (3) or more separate and distinct residential or commercial units.

Transmission System - The portion of the electric system that is dedicated to transmitting electric energy. For purposes of this tariff, the transmission system includes all service extensions and lines energized at voltages of nominal 69,000 or higher and excludes all lines energized at voltages less than the nominal 69,000 volts. However, this definition does not affect the Company's obligations under the Federal Power Act and/or the Public Utility Code, as applicable, to: (1) provide safe, reliable, and adequate retail electric service to customers taking service at voltages of 69,000 volts and above; and (2) provide just and reasonable and non-discriminatory distribution and transmission rates, terms, and conditions of service to such customers.

TSC – Transmission Service Charge

DEFINITIONS (CONTINUED)

Virtual Meter Aggregation - The combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the EDC's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. Virtual meter aggregation on properties owned or leased and operated by the same customer-generator and located within 2 miles of the boundaries of the customer-generator's property and within a single EDC's service territory shall be eligible for net metering. Service locations to be aggregated must be EDC service location accounts, held by the same individual or legal entity, receiving retail electric service from the same EDC and have measurable electric load independent of the alternative energy system. To be independent of the alternative energy system, the electric load must have a purpose other than to support the operation, maintenance or administration of the alternative energy system.

Volunteer Fire Company - 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.

Wholesale 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 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 Wholesale Generation Facility and if the operating characteristics and/or circumstances relating to such equipment are different then described in this definition.