

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: May 1, 2015 EFFECTIVE: June 1, 2015

GREGORY N. DUDKIN, PRESIDENT Two North Ninth Street Allentown, PA 18101-1179

NOTICE

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

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Generation Supply Charge -1 (GSC-1) Page Nos. 19Z.4, 19Z.5, 19Z.5A, 19Z.5B, and 19Z.5C The Fixed Price Option will become the only default service rate option under the GSC-1 and is set forth for the period June 1, 2015 through November 30, 2015. The Time of Use Program will become available through qualifying EGSs. In accordance with the Commission's order at Docket P-2014-2417907, the demand threshold used for determining whether customers are eligible for the Generation Service Charge-1 has changed from 500 KW to 100 KW. The GSC-1 will be reconciled every six months, using over/under collection balance for the six month period ending two months prior to the new GSC-1 effective date.

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Electric Pa. P.U.C. No. 201
Thirteenth Revised Page No. 19Z.4
Cancelling Eleventh Revised Page No. 19Z.4

(C)

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, GH-2 (R), IS-1 (R), BL, SA, SM (R), SHS, SE, TS (R) and SI-1 (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 2015-2016 PJM Planning Year. The GSC-1 shall have the options listed below.

FIXED PRICE OPTION - RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL

PURPOSE

The Fixed Price Option provides eligible customers in the Residential and Small Commercial & (C) 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:

Where:

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

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

The computation period shall be the six calendar months over which the Fixed Price GSC-1, as computed, will apply. Projections of the Company's costs to acquire generation supply, adjusted for losses and including Alternative Energy Credits, for the computation quarter shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated generation supply-related procurement and administration costs. Any costs incurred prior to June 1, 2015, shall be amortized ratably over the 24-month period June 1, 2015, through May 31, 2017, and the 6-month amortization amount shall be included in the computation of the GSC-1.

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GENERATION SUPPLY CHARGE – 1 (Continued) (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 of the end of the calendar month ended two months prior to the beginning of the computation period, 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 undercollections shall be calculated at the legal rate of interest. Interest on refunds of overcollections shall be calculated at the legal rate of interest plus 2 percent annual interest. In addition, this E factor will include any remaining over or under collection balance as of May 31, 2015 related to application of the GSC-1.

S_{f p} = 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 period.

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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, 2015 through November 30, 2015.

Customer Class	Small Commercial & Industrial	Residential		
Rate Schedule / Charge	GS-1, GS-3 (< 100 kW), LP-4 (< 100 kW), IS-1 (R), BL, and GH-2 (R)	RS and RTS (R)		
	\$0.08234/KWH (D)	\$0.08213/KWH (D)		

	Small C&I-Street Lights									
	SA	SM (R)		SHS		SE	TS (R)	SI-1 (R)		
Rate Schedule/	\$/Lamp (D)	Nominal Lumens	\$/Lamp (D)	Nominal Lumens	\$/Lamp (D)	\$/KWH (D)	\$/Watt (D)	Lumens	\$/Lamp (D)	
Charge		3,350	4.043	5,800	2.454			600	1.713	
		6,650	6.315	9,500	3.516			1,000	3.038	
	5.402	10,500	8.827	16,000	5.171	0.08234	0.06015	4,000	9.650	
		20,000	13.981	25,500	9.329					
		34,000	23.837	50,000	14.640					
		51,000	32.944							

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(D) Indicates Decrease

(I) Indicates Increase

(C) Indicates Change

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GENERATION SUPPLY CHARGE -1 (Continued) (C)

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

GSC - 1 RECONCILIATION PROVISIONS -

The GSC-1 shall be filed with the Commission thirty (30) days prior to the effective date of the rate for each computation period. The rate shall become effective for BUSS service rendered during the computation period, unless otherwise ordered by the Commission, and shall remain in effect for one 6-month period.

For the Fixed Price Option, the Company will file with the Commission thirty (30) days prior to each computation period, a reconciliation of GSC-1 actual billed revenues and actual incurred costs for the most recently available actual computation period, pursuant to 66 Ps. C.S. §1307. The reconciliation shall become effective for service rendered during the computation period and shall remain in effect for a period of six months, or until new GSC-1 rates are approved by the Commission.

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 computation period. The GSC-1 will be reconciled every six months, using over/under collection balance for the six month period ending two months prior to the new GSC-1 effective date.

(C)

(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

PURPOSE

Beginning on December 10, 2014, this Time-of-Use (TOU) Program provides eligible existing and new residential and small commercial/industrial customers the 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. Eligible customers must meet the APPLICATION PROVISIONS of this TOU Program.

The Company has received approval from the Pennsylvania Public Utility Commission (Commission), at Docket P-2013-2389572, for a TOU Program with provisions as follows. The Company has solicited retail electric generation suppliers (EGS) that meet certain eligibility requirements to offer TOU service to residential and small commercial/industrial customers. The Company will provide on its website, or if requested through other means, contact information for those qualifying EGSs. Customers may take TOU service from one of the qualifying EGSs

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(C) Indicates Change

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(C)

(C)

Effective: June 1, 2015

GENERATION SUPPLY CHARGE – 1 (Continued) (C

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

PURPOSE (Continued)

based on terms agreed to between the customer and the EGS, except that the EGS's initial contract term may not be less than three calendar months, and if a participating TOU customer elects to no longer receive TOU service from a qualified EGS, the EGS may not charge a termination fee. Peak and off peak times and rates are established at the discretion of the EGS, except that the off peak discounted pricing hours may not include 2:00 PM to 6:00 PM, Monday through Friday during June, July and August, except Independence Day.

Customers taking service under this TOU Program do not receive Basic Utility Supply Service (BUSS) as defined in Rule 1 of this Tariff.

CONTINGENCY

In the event no EGSs participate in this TOU program, or if all of the participating EGSs opt out of the program or default on the program's requirements during the term of the TOU Program, resulting in no TOU rate option being offered to residential or small commercial/industrial customers that desire it, the Company will expeditiously seek approval of a new subsequent TOU program that complies with the provisions of the partial settlement dated April 11, 2014 at Commission Docket P-2013-2389572.

The Contingency Plan will be implemented separately for residential customers and small commercial/industrial customers. Once implemented, the Contingency Plan will remain in effect until May 31, 2017 unless otherwise ordered by the Commission. The Company will recover all costs of implementing the Contingency Plan through this Generation Supply Charge - 1.

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), GH-2 (R), and IS-1 (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.

TERMINATING PARTICIPATION

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

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