

## COVER PAGE FOR THE DPL - MARYLAND ELECTRIC TARIFF

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### CURRENT UPDATE

Internet update on or before: June 29, 2007

Tariff changes effective: July 1, 2007

Total Pages (+ Cover): 134; Total Leafs: 129 (Includes 28a, 44a, 67a & 70a).

Reason for the Tariff Changes: Annual change of Environmental Surcharge on the retail sales of electricity distributed within the State of Maryland.

Case / Order Reference(s): Filed In Compliance with the 06/15/2007 letter from the Maryland Public Service Commission. .

Leaf Nos. changed in this update: 45-52 & 54.

Processed By: Pamela Long , Regulatory Affairs Analyst I

### LAST UPDATE

Effective Date of the previous Internet update: June 1, 2007

Total Pages (+ Cover): 134; Total Leafs: 129 (Includes 28a, 44a, 67a & 70a).

Reason for the Tariff Changes: Standard Offer Service prices effective 06/01/2007.

Case / Order Reference(s): Filed In Compliance with Order No. 81382 in Case No. 9064, Dated 04/27/2007.

Leaf Nos. changed in this update: 45-51 & 54.

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AREAS SERVED BY THIS COMPANYCAROLINE COUNTYBethlehem  
Denton  
Federalsburg  
GoldsboroGreensboro  
Henderson  
Hillsboro  
MarydelPreston  
Ridgely  
TemplevilleCECIL COUNTYCecilton  
Charlestown  
Chesapeake City  
Childs  
ColoraConowingo  
Earleville  
Elk Mills  
Elkton  
FredericktownNorth East  
Perry Point  
Perryville  
Port Deposit  
Rising SunDORCHESTER COUNTYCambridge  
Church Creek  
East New Market  
HurlockMadison  
Rhodesdale  
Secretary  
ViennaWilliamsburg  
WoolfordHARFORD COUNTYDarlington  
Pylesville

Street

Whiteford

KENT COUNTYBetterton  
Chestertown  
Galena  
GeorgetownKennedyville  
Lynch  
Massey  
MillingtonRock Hall  
Still Pond  
WortonQUEEN ANNE'S COUNTYBarclay  
Chester  
Crumpton  
InglesideGrasonville  
Queenstown  
Centreville  
PriceStevensville  
Sudlersville  
Church HillSOMERSET COUNTYChance  
Crisfield  
Dames Quarter  
Deal Island  
KingstonManokin  
Marion Station  
Oriole  
Princess Anne  
RehobethUpper Fairmont  
Upper Hill  
Wenona  
Westover

AREAS SERVED BY THIS COMPANY – (Continued)

TALBOT COUNTY

Bozman  
Cordova  
McDaniel  
Neavitt  
St. Michaels

Oxford  
Queen Anne  
Sherwood  
Tilghman  
Claiborne

Trappe  
Wittman  
Wye Mills  
Newcomb

WICOMICO COUNTY

Allen  
Bivalve  
Delmar  
Fruitland  
Hebron  
Mardela Springs

Nanticoke  
Parsonsborg  
Pittsville  
Powellville  
Quantico

Salisbury  
Sharptown  
Tyaskin  
White Haven  
Willards

WORCESTER COUNTY

Berlin  
Bishopville  
Newark

Ocean City  
Pocomoke City  
Stockton  
Whaleysville

Showell  
Snow Hill  
Bishop  
Girdletree

DEFINITION OF TERMS

The words listed below shall have the following meanings when used in this tariff:

**Account** – An account is one metered or unmetered rate or service classification which normally has one electric delivery point of service. Each account shall have only one electricity supplier providing full electric supply requirements for that account. A premises may have more than one account.

**Administrative Credit** – A credit applicable to all delivery Customers, except Hourly Priced Service (“HPS”) Customers, which is calculated in accordance with the provisions of the Phase I and Phase II Settlements in Maryland Case No. 8908.

**Ancillary Services** – Services that are necessary for the transmission and distribution of electricity from supply sources to loads and for maintaining reliable operation of the transmission and distribution system.

**Applicant** – Any person, corporation or other entity that: (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, or (iv) is not yet actually receiving from the Company any service provided for in this Tariff. An Applicant shall become a Customer for purposes of this Tariff only after the Applicant actually starts receiving the applicable service(s) from the Company under this Tariff.

**Broker** – A person or entity that acts as an agent or intermediary in the sale or purchase of, but that does not take title to, electricity for sale to retail electric customers.

**Commission** – The Maryland Public Service Commission.

**Company** – Delmarva Power & Light Company, doing business as Conectiv Power Delivery.

**Customer** – Any adult person, partnership, association, corporation, or other entity: (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for a premises, building, structure, etc., and (iii) who is primarily responsible for payment of bills. A Customer includes anyone taking Delivery Service or the Company’s combined Electric Supply & Delivery Service from the Company under one service classification for one account, premises or site. Multiple premises or sites under the same name are considered multiple Customers.

**Customer Charge** – A charge designed to recover the costs the Company incurs in providing such services as metering, reading the meter(s), providing dedicated delivery service and billing the Customer’s account.

**Customer Choice or Retail Competition** – The right of a Customer to buy electric supply services from an Electricity Supplier.

DEFINITION OF TERMS - (Continued)

**Delivery Service** – The provision of electric distribution and other services provided by the Company to a Customer who has exercised its right and purchases all of its electric supply services (i.e., capacity, energy, transmission and ancillary) for an account from an Electricity Supplier, other than the Company. Delivery Service Charges consist of the Customer Charge, the Distribution Charge, the Universal Service Fund Charge, and other charges as approved by the Commission.

**Delivery Service Customer** – A Customer who takes Delivery Service.

**Demand** – The rate of use of energy during a specified time interval, expressed in kilowatts.

**Designee** – Any adult person, partnership, association, corporation or other entity who is authorized by the Customer to receive their electric metered and billing data.

**Distribution Facilities** – Electric facilities owned by the Company that operate at voltages of 34,500 volts or below and that are used to deliver electricity to Customers, up through and including the point of physical connection with electric facilities owned by the Customer.

**Distribution Service Charge** – A charge designed to recover the cost of those services related to the delivery of electricity to a Customer by the Company through the Company's Distribution Facilities.

**Electricity Supplier or "Supplier"** – A supplier of electricity that has been certified or licensed by the Commission to sell electricity to Customers within the State of Maryland. For purpose of this tariff, the Company is not an Electricity Supplier. An Electricity Supplier sells electricity to Customers utilizing the Transmission and/or Distribution Facilities of the Company.

**Electric Supply & Delivery Service** – The provision of electric distribution and other services provided by the Company to a Customer who buys all of its electric supply services (i.e., capacity, energy, transmission and ancillary) for an account from the Company. Electric Supply & Delivery Service includes Delivery Service, Transmission Service and Standard Offer Service or Hourly Priced Service and associated charges.

**Electric Supply & Delivery Service Customer** – A Customer who takes the Company's combined Electric Supply & Delivery Service.

**Hourly Priced Service ("HPS")** – The provision of electricity and related services to Customers by the Company. The Hourly Priced Service is a non-residential service for eligible customers and is designed to recover the current market cost of producing or procuring electricity for the Company's combined Electric Supply & Delivery Service Customers. The Hourly Priced Service charge includes the current market price for capacity, energy, ancillary services and transmission service for the Company's service territory plus an Administrative Charge and all applicable taxes.

**Interval Metering** – Metering equipment that supplies hourly or sub-hourly kW readings.

DEFINITION OF TERMS - (Continued)

**kW, kilowatt** – 1,000 watts.

**kWh, kilowatt-hour** – 1,000 watts for one (1) hour, or 1,000 watt-hours

**Marketer** – A person that purchases and takes title to electricity for sale to retail electric customers.

**Peak Load Contribution for Capacity (PLC)** – The Customer's contribution to the Delmarva zone's peak load, as defined by PJM. The method to determine a Customer's Peak Load Contribution is defined in the Conectiv Supplier Operating Manual, which is available on the Conectiv website at [www.conectiv.com](http://www.conectiv.com).

**PJM Interconnection, LLC or ("PJM")** – The Pennsylvania-New Jersey-Maryland Independent System Operator that is responsible for the operation and control of the bulk electric power system throughout all or portions of Delaware, Pennsylvania, New Jersey, Maryland, Virginia and District of Columbia.

**Premises** – A premises is one contiguous property or site which normally has one delivery point of service and one or more metered or unmetered rate or service classes, each of which is an account, that when totaled equal the entire electricity used at that one premises or site. A premises may have more than one account with each account having one electricity supplier providing full electric supply requirements. Multiple premises or sites under the same name are considered multiple Customers.

**Procurement Cost Adjustment (PCA)** – The Procurement Cost Adjustment is an adjustment made in order to true-up the rates Customers are billed to reflect the Company's actual costs of providing Standard Offer Service.

**Standard Offer Service** – Electricity service which the Company must offer to eligible customers who do not otherwise receive electricity from an Electricity Supplier.

**Transmission Service Charge** – A charge designed to recover the cost of those services related to the delivery of electricity by the Company from supply sources through Transmission Facilities.

**Transmission Facilities** – Electric facilities owned by the Company that operate at voltages above 34,500 volts and that are used to transmit and deliver electricity to Customers up through and including the point of physical connection with electric facilities owned by the Customer.

**Universal Service Program and Charge** – A fund established under the Electric Customer Choice and Competition Act of 1999 which is used for low income fuel assistance and weatherization programs within the Company's service territory.

RULES AND REGULATIONS

SECTION I - GENERAL

A. Filing and Posting

This Electric Service Tariff is supplemental to the Electric Customer Choice and Competition Act of 1999, and to the "Regulations Governing Service Supplied by Electrical Companies" of the Public Service Commission of Maryland and comprises the Rules and Regulations of service and the Service Classifications under which electricity shall be delivered and supplied to its Customers by Delmarva Power & Light Company. A copy of this Tariff is on file with the Public Service Commission of Maryland and open to inspection in each of the offices of the Company.

B. Revisions

This Tariff may be revised, amended, supplemented or otherwise changed from time to time, in accordance with rules and procedures of the Public Service Commission of Maryland.

C. Statement of Agents

No representative has authority to modify any rule or provision of this Tariff, or to bind the Company by any promise or statement contrary thereto, unless the same shall be incorporated in a contract.

D. Rules and Regulations

The Rules and Regulations are a part of every contract for service and govern all classes of service unless otherwise specifically stated by a Service Classification.

E. No Prejudice of Rights

The failure by the Company to enforce or the decision not to enforce any of the provisions of this Tariff shall not be deemed a waiver of the right to do so.

F. Gratuities to Employees

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered.

G. Resolution of Disputes

When an Applicant or Customer has an issue to resolve with the Company, they should first contact the Company to resolve the issue. The Company and the Applicant or Customer shall use good faith and reasonable efforts to informally resolve the issue. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving the Company, they may do so through the use of the procedures of the Public Service Commission of Maryland.

RULES AND REGULATIONS

SECTION I – GENERAL - (Continued)

G. Resolution of Disputes (Continued)

When an Applicant or Customer has an issue to resolve with an Electricity Supplier, other than the Company, the Applicant or Customer should first contact that Electricity Supplier to resolve the issue. If the Applicant or Customer contacts the Company, the Company will make every effort to assist them toward possible solutions. The Company is under no obligation to resolve disputes between an Applicant or Customer and an Electricity Supplier. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving an Electricity Supplier, they may do so through the use of the procedures of the Public Service Commission of Maryland.

Resolution of disputes between the Company and an Electricity Supplier are addressed under the DPL/Supplier Tariff.

## RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE

## A. Application for Service

A written application for service may be required from each Customer. This application when executed by the Company constitutes the contract between the Company and the Customer, subject to the terms of the applicable Service Classification, and these Rules and Regulations. Charges for service shall begin at the time service is made available to the Customer.

An application for service can either be for Delivery Service or for the Company's combined Electric Supply & Delivery Service. Delivery Service is the provision of electric distribution and related services provided by the Company to a Customer who exercises its right and purchases all of its electric supply services for an account from an Electricity Supplier, other than the Company. The Company's combined Electric Supply & Delivery Service is the provision of electric distribution and related services provided by the Company to a Customer who purchases all of its electric supply services for an account from the Company. The Customer shall obtain full electric supply requirements for each account from an Electricity Supplier or from the Company's combined Electric Supply & Delivery Service. An account is one metered or unmetered rate or service classification which normally has one electric delivery point of service.

Until such time that the Customer has the right to purchase electric supply services from an Electricity Supplier, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service ("SOS") for all Customers for each account, except LGS-S, GS-P and GS-T Type III Customers who will be provided the Hourly Priced Service on and after June 1, 2005, for each account.

A Customer, who has the right to purchase electric supply services from an Electricity Supplier, can switch to an Electricity Supplier, at no direct charge, on its next scheduled meter reading date only after the Company has received seventeen (17) calendar days advance notice from the Customer's new Electricity Supplier of the Customer's decision to switch. When the Customer exercises the right to purchase electric supply services from an Electricity Supplier for an account, the Customer must purchase all of its electric supply services for the entire account from one Electricity Supplier. The Customer may not have multiple electricity suppliers for one account at the same time.

Any Customer, other than a "LGS-S", "GS-P" or "GS-T" Type III Customer, who has purchased its electric supply services from an Electricity Supplier, other than the Company, and returns or is returned to the Company for electric supply services for its account, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading after which the Customer may be served by an Electricity Supplier.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE – (Continued)

A. Application for Service – (Continued)

When a Type III Customer who is served under Service Classifications Large General Service Secondary (“LGS-S”), General Service Primary (“GS-P”), General Service Transmission (“GS-T”), or Negotiated Contract Rate (“NCR”) and who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2005, the Customer with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company’s enrollment rules and tariff provisions, will be provided the Company’s Hourly Priced Service, as described under Rider HPS, and must remain on the Company’s Hourly Priced Service for at least one (1) billing month before the Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Customer may not switch from the Company’s Hourly Priced Service to the Company’s Large Customer Service.

Effective June 1, 2005, all Type III Customers served under the Company’s Large Customer Service will automatically be switched to and served with the Company’s Hourly Priced Service as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Company’s Large Customer Service is not available to Type III Customers on and after June 1, 2005. The Type III Customer may not switch from the Company’s Hourly Priced Service to the Company’s Large Customer Service.

All verbal applications taken by the Company shall be promptly confirmed in writing and the Company may require an Applicant or Customer to sign and return a copy of the written confirmation.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

B. Right to Reject Application

The Company may reject any application for service if the Applicant does not meet all the requirements of the Rules and Regulations of this Tariff. The Applicant shall be given the reason or reasons for rejection of the application for service, in writing if requested.

C. One Point of Delivery

The Service Classifications of this Tariff, unless otherwise stated, are based upon the service to one entire premises through a single delivery and metering point. The Company shall provide only one metering installation for each class of service. The use of service at two or more separate properties shall not be combined for billing purposes.

The Company reserves the right to deliver service to more than one point where the Customer's load or service requirements necessitate such delivery. This procedure is applicable to other public utilities and large industrial or commercial customers having extensive operations in a contiguous area. Where the Customer desires an extra delivery circuit not necessitated by load or service requirements, the Customer shall pay the costs of the additional facilities.

D. Service at New Locations

Service at new locations shall be rendered only when all bills for service to the Customer at any other locations have been paid, or credit arrangements satisfactory to the Company have been made.

E. Distribution of Customer's Metered and Billing Data

Upon the Customer's request, the Company will provide the Customer's historical electric metered and billing data to the Customer or its designee at no charge.

## RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

## F. Service Contracts

Standard contracts shall be for terms as specified in the applicable Service Classification. Where large or special investment is necessary for delivery service, or where service is to be used for temporary, seasonal or unusual purposes, contracts for terms other than specified in the Service Classification, or with special guarantees of revenue, or both, may be required.

## G. Temporary Service

Temporary Service is service, ordinarily not recurrent in nature, required for temporary construction power, structures or locations. Temporary Service shall be rendered only when and where the Company has the necessary facilities available to render the service applied for, without detriment to the service of other Customers.

The Customer shall pay the cost of installation and removal of required facilities installed for the sole purpose of the temporary service, based on a flat charge for standard facilities as stated below, or the actual costs for non-standard facilities. A deposit may be required, in advance, sufficient to cover the installation and removal, materials not returnable, and the estimated cost of the applicable Delivery Service or the Company's combined Electric Supply & Delivery Service. Where facilities are endangered by construction or proposed usage, the Customer may be required to own and maintain the transformers.

Flat Charge for Standard Facilities

1. Single-Phase Underground or Aerial Service	\$150
2. Single-Phase Aerial Service with two spans of wire	\$350
3. Single-Phase Aerial Transformer, Ground, and Primary Connection	\$700
4. Three-Phase Aerial Transformer Bank, Ground, and Connection	\$1,500

Temporary Service is available only under Service Classification "SGS-S", "LGS-S", "GS-P", "GS-T", or "ORL" on a short-term basis. The minimum monthly bill for this Service shall be as specified under the provisions of the applicable Service Classifications.

## H. Seasonal Service

Seasonal Service is service required for periods of less than one (1) year to permanent structures or at the same location annually, usually at the same season of the year. When a Customer takes Seasonal Service rendered under Service Classification "R", "R-TOU-ND", "SGS-S", "LGS-S", "GS-P", "GS-T", or "ORL", the monthly bill as calculated in accordance with the standard monthly rate, including any minimum bills, and before the application of any applicable electric supply service charge for the Company's combined Electric Supply & Delivery Service, or any tax imposed by governmental authority upon the Company's sales, shall be increased by twenty-five percent (25%).

## RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

## I. Rights-of-Way/Permits

## 1. General

The Applicant requesting electric delivery service shall furnish, without expense to the Company, suitable rights-of-way or permits on forms provided by the Company for the installation of facilities on, over, under and across the premises of the Applicant for the purpose of providing electric delivery service to the Applicant and to the premises and other users in the vicinity.

If it is necessary to acquire such rights or permits from others, such as abutting property owners, lessors, railroads, etc., in order for the Company to serve the Applicant, then the Applicant shall be responsible for obtaining such rights or permits as the Company deems necessary.

Where, due to the nature of the property to be served, the Company finds that the exact boundaries are of critical importance, the Applicant shall locate and mark such boundaries to the reasonable satisfaction of the Company.

The Applicant shall be responsible for clearing all trees, tree stumps and other obstructions from the construction area as designated by the Company, said clearing to be completed in reasonable time to meet service requirements. The Company shall be responsible for any additional tree trimming that may be required for the clearance and safety of its facilities.

The construction area as designated by the Company shall be graded to within six (6) inches of final grade before the Company will commence construction.

If subsequent to construction start-up, the Company is required to relocate or adjust any of its installed facilities due to change in grade, adjustments of property lines or change in plans, the cost of such relocation shall be borne by the Applicant, its successors or assigns.

The Company shall own, operate, and maintain underground distribution lines only along public streets, roads, and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained within a reasonable time and without cost or condemnation by the Company.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

I. Rights of Way - (Continued)

2. Required Property Information

The Applicant shall furnish as required by the Company, at no charge to the Company, property plats, utility plans, grading plans, roadway profiles, property line stakes, grade stakes and other items showing details of proposed construction. This information is required in reasonable time to allow the Company to design and construct its facilities in a safe and efficient manner to meet service requirements and to comply with applicable laws, codes and rules and regulations.

J. Hazardous Conditions

The Applicant shall notify the Company of any hazardous conditions which employees may encounter on the customer's property while installing or maintaining service. Where hazardous conditions exist which may impact the welfare of Company employees, the Company reserves the right to withhold service or require the Applicant to provide a non-hazardous route for necessary service facilities. The Applicant shall be responsible for all costs required of the Company to meet applicable environmental, or other hazardous condition laws required of our employees specifically for installation of the Applicant's service.

RULES AND REGULATIONS

SECTION III - CUSTOMER'S DEPOSIT

A. Customer's Deposit to Guarantee Payment of Final Bills

The Company may require a cash deposit from an Applicant or an existing Customer for each account until satisfactory credit is established in accordance with the Code of Maryland Regulations to guarantee payment of final bills for service rendered. Where the Company holds more than one deposit for separate accounts for the same Customer, the Company shall administer each deposit individually. Such deposit shall not be more in amount than two-twelfth (2/12) of the estimated annual applicable Delivery Service revenue or the Company's combined Electric Supply & Delivery Service revenue, or as may be reasonably required by the Company in cases involving a service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

Deposits shall be collected in whole dollar amounts. A deposit shall not be required if the amount is less than fifty dollars (\$50).

Required deposits may be deferred at the Customer's Request to the first month's bill or may be paid in installments over three (3) consecutive monthly billing periods.

Simple interest on deposits at a rate established annually by the Maryland Public Service Commission shall be applied annually as a credit to the Customer's account and so indicated on the January bill. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated or on the date notice is sent to the Customer's last known address that the deposit is no longer required.

Deposits shall be refunded after one (1) year for Residential deposits and after four (4) years for Non-Residential deposits and after satisfactory credit has been established. Satisfactory credit is defined as payment of the last twelve (12) consecutive monthly bills without more than two past due bills and without an outstanding unpaid previous balance.

All deposits shall be collected and administered pursuant to the requirements set forth in the Code of Maryland Regulations.

## RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS

## A. Billing Period

Rates are stated on a monthly basis and bills are rendered monthly following the delivery of service based on meter readings scheduled at approximately monthly intervals off from 27 to 33 days. When periods are greater than 33 or less than 27 days the bill shall be computed by prorating to 30 days on the basis of the actual period covered by the meter readings.

## B. When Bills are Payable

All bills are due and payable upon presentation.

## C. Estimated Bills

When the Company's meter reader is unable at any regular reading date to read the Customer's meter, the Company may estimate the Customer's electric usage and render an estimated bill.

## D. Customer's Billing Option

Before the Customer has the right to purchase electric supply services from an Electricity Supplier, the Company shall provide the Company's combined Electric Supply & Delivery Service for the Customer and the Company shall issue one consolidated bill to the Customer for that delivery, transmission and electric supply services.

When the Customer has the right to choose an Electricity Supplier, the Customer shall also have the right to select one of the following billing options, to the extent that the Customer is not constrained by the Customer's agreement with its Electricity Supplier:

1. One consolidated bill from the Company, which includes both of the Company's Delivery Service charges and the Electricity Supplier's charges; or
2. One consolidated bill from the Electricity Supplier, which includes both of the Electricity Supplier's charges and the Company's Delivery Service charges including a Billing Credit of \$1.00 per bill from the Company to the Customer; or
3. Two separate bills; One bill from the Company for Delivery Service charges and the other bill from the Electricity Supplier for its charges.

If, at any time, the Customer has not exercised the right to select one of the three billing options above, then the Company shall issue one consolidated bill to the Customer for the Company's Delivery Service and for the Customer's Electricity Supplier Service.

If, at any time, the Customer receives the Company's combined Electric Supply & Delivery Service from the Company, then the Company shall issue one consolidated bill to the Customer for both the delivery, transmission and electric supply services.

## RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS - (Continued)

## E. Payment Posting Sequence

When the Company provides consolidated billing for the Company's combined Electric Supply & Delivery Service, or when the Company provides consolidated billing for Delivery Service and the Customer's Electricity Supplier services, or when the Company provides separate billing for Delivery Service, and the Customer remits a partial payment to the Company, the payment shall be applied as follows:

1. Arrears for the Company's combined Electric Supply & Delivery Service or Delivery Service.
2. Arrears for the Electricity Supplier charges, where applicable.
3. Current charges for the Company's combined Electric Supply & Delivery Service or Delivery Service.
4. Current charges for Electricity Supplier charges, where applicable.
5. Value-added service charges.

## F. Returned Checks

Checks received in payment of any bills or charges rendered which are returned to the Company unpaid by the Customer's bank, shall result in an additional charge of fifteen dollars (\$15) per check per occurrence, which charge shall be levied against the Customer's account. Proper notice of the returned check and the charge shall be mailed to the Customer by first-class mail.

The Company shall automatically waive this charge provided the returned check was the first occurrence in the most recent twelve (12) months.

## G. Late Payment Charge

Bills are due and payable upon presentation. If payment for the applicable delivery service bills or for the Company's combined Electric Supply & Delivery Service bills rendered is not received by the Company prior to the next meter reading date, a late payment charge of one and one-half percent (1-1/2%) of the unpaid balance, less applicable taxes and environmental surcharge shall be added to the next billing unless prohibited by law. The total late payment charge for any original balance shall not exceed five percent (5%). Payments shall be credited as prescribed under the Payment Posting Sequence of this section.

The Company, upon request by the Customer, shall waive any one (1) late payment charge within the last twelve (12) consecutive billing months for Residential Customers.

## RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS - (Continued)

## H. Installment Payments

Any Customer may request an installment payment agreement as an optional means for payment of the applicable delivery service delinquent charges or the Company's combined Electric Supply & Delivery Service delinquent charges and to avoid service termination resulting from those delinquent charges. An installment payment agreement constitutes a contract between the Customer and the Company, which guarantees payment by the Customer for the amount of the agreement over the specified period. All requests for installment payment agreements, are subject to Company approval and must be signed by the Customer and by a Company-authorized employee. A service charge of one and one-half percent (1-1/2%) per month shall be applied on the unpaid balance due under this agreement. The balance amount of the agreement is not subject to the provisions of the late payment charge. Failure of the Customer to meet the conditions of this installment payment agreement including prompt payment of the current bill shall constitute a breach of this agreement and entitle the Company to pursue collection and termination procedures pursuant to the applicable rules and regulations of the Maryland Public Service Commission.

## I. Budget Billing

Budget billing provides a Delivery Service payment plan or a Company combined Electric Supply & Delivery Service payment plan which allows Customers to levelize their monthly bills. The Budget Billing Plan is available to all Residential Customers and to any Non-Residential Customer whose summer maximum measured demand is less than 300 kW. Non-Residential Customers may be initially placed on the plan only in the billing months of April, May, October and November. Any such qualifying Customer who does not have a delinquent delivery service balance outstanding or a delinquent Company combined Electric Supply & Delivery Service balance outstanding may elect to be placed on budget billing. Under this plan, the Customer shall be billed for eleven months on an estimated budget amount basis with the twelfth month as the settlement month. The billing for the settlement month shall consist of the difference between the actual amount due to date and the budget amount paid to date.

RULES AND REGULATIONS

SECTION V - ADMINISTRATION OF SERVICE CLASSIFICATION

A. Load Inspections

When the delivery of service is under Service Classifications which base the billing demand or minimum charge upon the Customer's connected load, the Company's representative shall have access to the premises at reasonable times to inspect and count the connected load.

B. Billing Changes

When demands are reassessed or redetermined, or power factor recomputed or remeasured, as the result of an investigation made at the Customer's request or by routine inspection, the change of billing to the new demand or power factor shall first apply to the bill for the month during which the investigation is made.

C. Choice of Service Classification

When two (2) or more Service Classifications are available for the same class of service, the Customer shall select the Service Classification to be applied.

D. Company Assistance

The Company upon request shall assist the Customer in the selection of the most advantageous Service Classification, but the duty and responsibility of making the selection shall at all times rest with the Customer.

E. Changing Service Classifications

When a Customer has selected the Service Classification, its application shall remain in effect for the contract term which the Service Classification specifies.

RULES AND REGULATIONS

SECTION VI - CUSTOMER'S INSTALLATION

A. Customer's Wiring

All of the Customer's wiring and appurtenances shall be furnished and installed by the Customer.

B. Description of Installation

The Customer, before connecting or purchasing any substantial electrical equipment, shall present in writing to the Company a list of devices which are to be installed giving the location of the proposed installation, so that the Company may advise the Customer of the character of the service the Company shall furnish and the point at which service shall be connected and metered.

In those cases where the Company deems it necessary, the Customer shall present in writing complete specifications of equipment, loads, location plans, vaults, cable runs, substations, and other data required, so that the Company may advise the Customer of the character of the service the Company shall furnish, the point at which it shall be connected and metered and any other requirements associated with the special conditions of the service.

C. Electrical Inspection

All new wiring and equipment and changes in wiring and equipment, shall conform to the standards of the National Electrical Code and those of local public authorities in force at the time.

The Company shall render service only after receipt by the Company of a notice of approval issued by the duly recognized inspection agency.

D. Reverse Phase Relay

The Customer shall install at its expense a reverse phase relay of approved type on all motors or other equipment where a definite direction of rotation must be maintained.

E. Phase Protection

The Customer shall install at its expense suitable voltage or current type of devices which will protect its equipment from damage in the event of phase outages.

RULES AND REGULATIONS

SECTION VI - CUSTOMER'S INSTALLATION - (Continued)

F. Motors

The Customer shall advise the Company of the proposed requirements of the type of motor and starting current of the Customer's equipment, as well as the voltage and phase of service which are desired.

The Company reserves the right to refuse service to single phase motors rated five (5) horsepower or more and to polyphase motors rated less than five (5) horsepower and to polyphase motor installations having a total rating less than six (6) horsepower.

## RULES AND REGULATIONS

SECTION VII - SERVICE AND TRANSFORMER INSTALLATIONS

## A. General

Services as used in this section refers to that portion of the Company's electric distribution system necessary to furnish permanent service from the Applicant's lot line to a residential building, mobile home or other commercial, industrial or multiple occupancy building. The Company's system facility from which the service is installed may be on public or private right-of-way. Services shall be installed either overhead or underground, in accordance with the policies of the Public Service Commission of Maryland, and shall be designed and constructed with sufficient capacity and suitable material which, in the Company's judgment, shall assure that the Applicant shall receive safe, adequate and reasonable electric service for the foreseeable future. Services to new residential buildings or mobile homes shall be made underground.

The Company, where system facilities are of adequate capacity and adjacent to the applicant's premise, will provide, install, and maintain residential services, all to the point of connection with the Applicant's wiring. Such point shall generally be at or near the corner of the building nearest the point at which the electric service line enters the property to be served and must be such that the service will be clear of obstructions and adequately supported. Any modifications requested by the Applicant must be approved by the Company. Services shall not be connected until satisfactory payments or credit arrangements are made to satisfy the charges detailed in this section.

All services to new residential buildings and mobile homes and all services of less than 34,500 volts (nominal) to new commercial, industrial and multiple-occupancy buildings shall be installed underground, except where a specific exemption has been granted by the Maryland Public Service Commission.

## B. Service Installations

## 1. Residential Service

The Company shall provide, own and maintain residential services. The Applicant shall pay the Company a charge for such new service equal to \$5.00 per foot which includes applicable taxes. Any such payments shall not be waived or refunded.

## 2. Non-Residential Services

The Company shall provide, own and maintain non-residential services. The Company's investment in Non-Residential Services and line extensions shall be limited to three (3) times the related estimated annual delivery and transmission service revenue ("Estimated Revenue"). Where the Estimated Revenue does not justify the estimated cost of installation, the Applicant shall pay for all additional installed costs not justified by the revenues. Any such payments shall not be waived or refunded.

RULES AND REGULATIONS

SECTION VII - SERVICE AND TRANSFORMER INSTALLATIONS - (Continued)

C. Special Service Conditions

Where the Applicant requests the Company, and the Company agrees, to install facilities which are more costly than those normally furnished, the Applicant will be charged the difference in cost.

The Applicant shall be responsible to provide a service path, clear of all obstacles for the installation and maintenance of facilities. Where the Applicant, by virtue of site conditions, causes a more costly than normal installation or maintenance, the Applicant will be charged the difference in cost.

Where environmental or other hazardous conditions require special work practices to comply with applicable rules or laws, the Company reserves the right to withhold service until a clear non-hazardous access can be provided or to charge the Applicant the additional costs.

Service lines should not be installed inside or under Applicant's residence or building. Where residential or building extensions have inadvertently covered existing services, Applicant will be charged for relocation as maintenance is required.

When replacement or repair of privately owned services is necessary, the Company will, if agreeable to the Customer, make the necessary repairs or replacements. The Customer shall be charged for all repair costs. Upon the owner's request, the Company may assume ownership and maintenance responsibilities of these facilities provided they meet the Company's specifications.

D. Modification or Relocation of Existing Services

Any modifications, changes or relocations of existing Company-owned services shall be made by mutual agreement of the Company and the Customer. Any charges to the Customer for such modifications, changes or relocations shall not exceed the Company's costs.

In the event the Company shall be required by any public authority to place underground or relocate any portion of the Company's electric system, the Customer at its expense shall make the necessary changes in the location of its facilities to accommodate such changes.

E. Transformer And Meter Installations

The Company shall make transformer or meter installations on public rights-of-way only as permitted by the regulations of the public authorities. The type of metering or load requirements may require the Customer to provide for the installation of transformer facilities on private property.

## RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS

## A. Meters Provided and Owned by the Company

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement of the service provided under each contract. For metering and meter services that are not provided or owned by the Company, refer to the Metering and Meter Reading "MMR" Rider under tariff Leaf Nos. 117-120.

When a Customer, Electricity Supplier or other party wants the Company to install alternative metering and associated equipment that is different than that which is normally provided under the Customer's Service Classification, the Customer shall make the request to the Company. The Customer shall be informed before the alternative metering equipment is installed of the amount that they will be charged for the meter exchange and any cost differential between the normally furnished meter and the alternative metering equipment. The Company shall make reasonable efforts to furnish, install and maintain such metering equipment for the Customer, provided that such alternative metering equipment meets the Company's electrical and data processing standards. The Company shall own such alternative metering equipment. In addition, at the Customer's request, the Company will provide, if feasible, on-site pulse outputs through an isolation relay or similar equipment, at the Customer's expense based on the Company's actual time and material costs, that will allow the Customer near real-time access to energy consumption data. Such isolation relay is the property of the Customer once installed. When the Customer wants an electronic communication link for remote access of the Company owned alternative metering equipment, the Customer shall make all arrangements and shall maintain that communication link at its expense. Unless authorized by the Company, only the Company shall have access, directly or remotely, to such Company owned alternative metering equipment. Upon the Customer's authorization, the metered data from such alternative metering equipment shall be provided to its designee at the Customer's expense.

## B. Meter Locations

The Company shall designate the location of meters.

For secondary or primary metered installations, the Customer shall provide a support or other facility as required for mounting of metering equipment.

Where multiple meters are required, each meter position shall be clearly and visibly marked so that each meter position is identified as to the location to which service is being supplied. Meters shall not be installed by the Company until this has been accomplished.

## C. Right to Remove Company's Equipment

All meters, instrument transformers or other service equipment supplied by the Company shall remain its exclusive property. The Company shall have the right to remove all its property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.

## D. Reverse Registration

The Company may, by ratchet or other device, control its meters so as to prevent reverse registration.

## RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS - (Continued)

## E. Meter Tests

The Company shall test single phase, self contained watt-hour meters in accordance with a Statistical Sampling Plan for existing meters and with a New Meter Sample Testing Plan for new meters acceptable to the Maryland Public Service Commission. All other meters shall be tested by the Company in accordance with its periodic test schedule and in a manner prescribed by the Maryland Public Service Commission. Meter tests performed at the request of a Customer shall be made in accordance with Section IX-D.

## F. Residential Multiple Occupancy Buildings

Any new residential multiple occupancy buildings on which construction begins after July 1, 1978 shall be individually metered for each occupancy unit that is individually leased or owned. (Enacted by Maryland General Assembly Chapter 561 July 1, 1977.)

## G. Unscheduled Meter Reading

When a Customer requests for a meter reading of a non-interval meter on an unscheduled meter reading date, the Customer shall be charged twenty-five dollars (\$25) per meter for that special meter reading service. When a Customer requests for a meter reading of an interval meter on an unscheduled meter reading date, the Customer shall be charged on a time and material basis per meter, not to exceed one-hundred dollars (\$100.00) per meter, for that special meter reading service. This special meter reading service shall be for data collection or informational purposes only. Such special meter reading service shall not be used to expedite a Customer's switch to an Electricity Supplier or to return to the Company's electric supply services. Nor shall this service be used to change the Customer's regular scheduled billing, unless it is agreed to by the Company, at the Company's sole discretion, and at the Customer's additional expense.

At the Customer's request, Delmarva will provide the Customer with Delmarva's time and material cost estimate for providing an unscheduled meter reading of the Customer's interval meter, prior to the work being performed. If the Customer believes the estimate is unreasonable, the Customer and Delmarva will work together in good faith to identify a mutually-acceptable third party to perform the unscheduled meter reading where such alternative meter reading shall meet Delmarva's data processing standards. To the extent that a third party performs the work, such work shall be deemed to be performed for the Customer. Each party (the "Indemnifying Party") shall indemnify the other against any claims of third parties arising out of the Indemnifying Party's acts or omissions with respect to the reading of Customer's meter and any associated telemetering equipment. Customer would reimburse Delmarva to the extent a third party raises a claim against Delmarva arising out of Customer's acts or omissions with respect to any of Customer's (or its third party contractor's) responsibilities with respect to the reading of the Customer's meter and any associated telemetering equipment. Similarly, Delmarva would reimburse Customer to the extent a third party raises a claim against Customer arising out of Delmarva's acts or omissions with respect to any of Delmarva's responsibilities with respect to the reading of the Customer's meter and any associated telemetering equipment. Examples of where this indemnification would be applicable include, but are not limited to: Customer's indemnification where an Electric Supplier makes a claim against Delmarva for discrepancies between the reading of Customer's meter and Customer's actual usage or expected usage if the claim arises due to Customer's acts or omissions with respect to meter reading; or Delmarva's indemnification where an Electric Supplier makes a claim against Customer relating to a consolidated bill prepared by Delmarva where the meter was read accurately, but Delmarva improperly programmed or coded the meter.

## RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES

## A. Fast Watt-Hour Meter

Whenever a watt-hour meter in service is found to have a positive average error, upon test made by the Company or the Maryland Public Service Commission, that is when it over-registers or is fast, in excess of two percent (2%), the Company shall credit or refund to the Customer an amount equal to the excess paid for Delivery Service and for the Company's combined Electric Supply & Delivery Service for the kilowatt-hours incorrectly metered. The refund shall be for the period that the Customer received service through the meter, but for not more than the periods established below:

1. Known Date of Error - If the date on which the error first developed or occurred can be established, the bills for service shall be recalculated from that time.
2. Unknown Date of Error - If the time at which the error first developed or occurred cannot be established, it shall be assumed that the over-registration existed for a period of three (3) years or a period equal to one-half of the time since the meter was last tested, whichever is less.

## B. Slow or Stopped Meter

When a meter is found, upon test made by the Company or the Public Service Commission of Maryland, to have a negative average error, that is when it under-registers or is slow, in excess of two percent (2%), or to be stopped, or in case of a polyphase meter, to be operating with an inactive element, and the error in registration or failure to operate is not attributable to the negligence of the Company, but is due to some unpredictable cause, such as lightning tampering or unauthorized overload, the Company shall estimate the proper Delivery Service and the Company's combined Electric Supply & Delivery Service charge for the unregistered service by reference to the Customer's consumption during similar normal periods or by such methods as the Public Service Commission of Maryland may authorize or direct. Except in cases of tampering, theft, inaccessibility to the meter, or unauthorized overload, the Company shall bill the customer one-half of the unbilled error for a period of 3 months, unless the meter has been tested within that 3-month period, in which event the utility may bill the customer one-half the unbilled error for the period since the meter was last tested. If the amount of under-registration is less than \$5, the utility will not adjust the bill.

## C. Accidental Ground

When an accidental ground exists without the knowledge of the Customer which has resulted in the meter registering more kilowatt-hours than the Customer has actually consumed, the billing for the one month immediately prior to the discovery of the ground shall be adjusted on the following basis.

The average kilowatt-hour consumption for the three (3) months prior to the ground, or for the corresponding month of the previous year, whichever appears to be more equitable, is to be used as the basis for determining the estimated actual consumption; add to this figure one-half of the difference between this figure and the metered kilowatt-hours; compute the Customer's bill on the basis of this total. Proportionate adjustment shall be made on the current billing up to the time the ground is discovered, but after such adjustment has been made, no further adjustment shall be made if the ground is not corrected.

## RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES - (Continued)

## D. Demand Meter

Whenever a demand meter, the readings, or indications of which are utilized in computing the charges for Delivery Service and the Company's combined Electric Supply & Delivery Service, is found, upon test by the Company or the Public Service Commission of Maryland, to be in error, in excess of the limits indicated below, the charges to the Customer shall be adjusted in the same manner as prescribed under watt-hour meters above.

<u>METER TYPE</u>	<u>LIMITS OF ACCURACY</u>
Integrated Demand Meters	± 2% of full scale reading
Lagged-Demand Meters	± 4% of final indication

## E. Requests for Meter Tests

Upon request by a Customer, the Company shall test the Customer's meter provided that such tests need not be made more frequently than once in eighteen (18) months. If tests of meters at the Customer's request are performed more frequently than once in eighteen (18) months, the Company shall charge the Customer thirty dollars (\$30) for testing a non-interval meter. For testing an interval meter, the charge shall be rendered on a time and material basis per interval meter tested, not to exceed five hundred dollars (\$500) per interval meter tested. No charge shall be made for testing meters which upon test are found to exceed the allowable accuracy limits as defined in this section. The Customer, or its representative, may be present when the Customer's meter is tested. A written report of the results of the test shall be mailed to the Customer within ten (10) days after the completion of the test.

At the Customer's request, Delmarva will provide the Customer with Delmarva's time and material cost estimate for testing the Customer's interval meter, prior to the work being performed. If the Customer believes the estimate is unreasonable, the Customer and Delmarva will work together in good faith to identify a mutually-acceptable third party to perform the meter test where such alternative meter testing shall meet the Commission's meter testing standards. To the extent that a third party performs the work, such work shall be deemed to be performed for the Customer. Each party (the "Indemnifying Party") shall indemnify the other against any claims of third parties arising out of the Indemnifying Party's acts or omissions with respect to the testing of Customer's meter and any associated telemetering equipment. Customer would reimburse Delmarva to the extent a third party raises a claim against Delmarva arising out of Customer's acts or omissions with respect to any of Customer's (or its third party contractor's) responsibilities with respect to the testing of the Customer's meter and any associated telemetering equipment. Similarly, Delmarva would reimburse Customer to the extent a third party raises a claim against Customer arising out of Delmarva's acts or omissions with respect to any of Delmarva's responsibilities with respect to the testing of the Customer's meter and any associated telemetering equipment. Examples of where this indemnification would be applicable include, but are not limited to: Customer's indemnification where an Electric Supplier makes a claim against Delmarva for discrepancies between the registration of Customer's meter and Customer's actual usage or expected usage if the claim arises due to Customer's acts or omissions that affect the meter operation; or Delmarva's indemnification where an Electric Supplier makes a claim against Customer relating to a meter that was registering inaccurately because Delmarva improperly maintained the meter.

## RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES - (Continued)

## F. Adjustments for Incorrect Billings

Incorrect billings for Delivery Service and for the Company's combined Electric Supply & Delivery Service resulting from clerical error, incorrect meter installation, meter inaccuracy or reading, incorrect application of the rate schedule or other similar reasons shall be corrected immediately upon discovery and corrected bills rendered to the Customer. However, in the case additional charges are due from the Customer under the application of this paragraph, retroactive billing may not be for more than 12 months prior to the discovery of the error unless authorized by the Commission. The Company may seek the Commission's authorization for retroactive billing for undercharges which occurred more than 12 months but not more than 3 years. If the Customer has been overcharged, the Company shall refund the amount due or credit the Customer's account, at the Customer's election, to the known date that the error was made, or in the case of an unknown date of the error, for a period of 3 years or a period equal to one half of the time since the date upon which it can be established that the error did not exist, whichever is less. In the absence of an election by the Customer for a refund by check, the Company shall credit the Customer's account. In the event additional charges are due the Company, installment payments shall be offered for not less than the number of months the account was billed in error.

RULES AND REGULATIONS

SECTION X - CONTINUITY OF SERVICE BY COMPANY

A. Company Liability

1. The Company does not guarantee continuous uninterrupted electric service and, except as provided herein, shall not be liable for any change in, interruption, phase reversal, or resumption of service. The Company shall not be liable to Customers, their directors, officers, employees, agents, or contractors, for any loss, cost, damage, expense, or any other liability (all of which shall be considered "Damages") regardless of whether such Damages are considered direct, indirect, incidental, special, consequential, exemplary or punitive Damages or to arise in contract or in tort, or any other cause of action, except as caused by the gross negligence or willful misconduct of the Company and only to the extent caused by the Company.

2. The Company shall not be liable for any delay of performance, failure to perform or failure of equipment for any cause other than the gross negligence or willful misconduct of the Company, and shall not be liable for Damages from causes beyond its reasonable control including but not limited to: acts of God, storm, fire, flood, lightning, explosion or other catastrophes; any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company; acts or omissions of other entities; preemption of existing service in compliance with national emergencies; insurrections; wars; riots; unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages or other labor difficulties.

The Company shall not be liable for any act or omission of any entity furnishing the Company or the Company's Customers goods, services, equipment or other products to be delivered through the Company's facilities or to be used in conjunction with goods, services, equipment of other products furnished by the Company. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

B. Notice of Trouble

The Customer shall notify the Company promptly of any defect in service or of any trouble or irregularity in the electric supply or delivery service.

C. Prearranged Interruption of Service

Whenever it is necessary to interrupt service for work on lines of equipment, such work shall be done, to the extent practical, at a time that will cause the least inconvenience to the Customer. The Customer(s) to be affected shall, if practical, be notified in advance of such interruptions.

## RULES AND REGULATIONS

SECTION XI - CUSTOMER'S USE OF SERVICE

## A. Resale Forbidden

The Customer shall not directly or indirectly sell, sublet, assign or otherwise dispose of the electric energy provided by the Company under the Company's combined Electric Supply & Delivery Service or provided by an Electricity Supplier or any part thereof, except that this rule shall not apply to a public utility purchasing electric energy in bulk for distribution to its Customers, except in master-metered apartment houses, office buildings or shopping centers in accordance with the Code of Maryland Regulations. Purchase of energy in bulk for use by tenants located on the Customer's property, when the cost to the tenant of such energy is included in the normal rental charge for occupancy of the premises, shall not be considered as resale.

## B. Multiple Occupancy Buildings

Multiple occupancy buildings and shopping centers shall not be master metered, but shall be individually metered for each occupancy unit that is individually leased or owned, except as permitted pursuant to Maryland Law. For the purposes of this paragraph, individual meters include only meters installed and owned by the Company.

## C. Fluctuations

Electric Delivery Service must not be used by the Customer or its Electricity Supplier in such a manner as to cause unusual fluctuations or disturbances in the Company's delivery system. Should such fluctuations or disturbances be caused by the Customer, or its Electricity Supplier the Company may discontinue service or require the Customer to modify its installation and/or install approved controlling devices.

Where service is rendered under Service Classifications "SGS-S", "LGS-S", "GS-P", "GS-T", or "ORL" and the use of current is intermittent or subject to violent fluctuation, the Company reserves the right to base the measured demand upon a five (5) minute period, or to add to the measured demand, as determined under the measured demand provision of the applicable Service Classification, an amount equal to sixty-five percent (65%) of the rated capacity in kilowatts of apparatus having fluctuating or intermittent current requirements.

## D. Unbalanced Loads

Where service is rendered under Service Classifications "SGS-S", "LGS-S", "GS-P", "GS-T", or "ORL" the Customer shall at all times take and use energy in such a manner that the load will be taken equally between phases. Should this not be possible and the unbalancing exceed ten percent (10%) of the lesser phase, the Company reserves the right to compute the demand for billing purposes on the assumption that the load on each phase is equal to that on the greatest phase.

## RULES AND REGULATIONS

SECTION XI - CUSTOMER'S USE OF SERVICE - (Continued)

## E. Transient Voltages

Customers are cautioned that certain types of data processing equipment are sensitive to transient voltages which typically occur in commercial power systems in routine operation. The Company shall not be liable for transient voltage-related damage or loss. The Company will provide available information to the Customer or prospective Customer on protective devices, upon request.

## F. Superimposition of Electric Signals on the Company's Electric System

When the Customer couples to or superimposes any signal on its electric system for equipment control, load management control, carrier current transmission, signal systems, communication, broadcasting or any other purpose, the Customer shall be responsible for preventing any such signals from being imposed upon or entering the Company's metering and electric system.

## G. Power Factor

The average power factor under the operating conditions of the Customer's load at the point where the electric delivery service is metered shall not be less than ninety percent (90%) lagging.

Where lighting, welding, motors or other electrical equipment or devices having low power factor characteristics are installed, the Customer shall furnish, install and maintain, at its own expense, corrective apparatus which shall increase the average power factor of the individual units or the entire installation to not less than ninety percent (90%) lagging.

## H. Use other than Stated in Contract

The Company's service shall not be used for any purpose or in any place other than that stipulated in the Customer's contract for service except by written consent of the Company.

## I. Characteristics of Service

The delivery service specified and furnished by the Company, and electric service furnished by either the Company's combined Electric Supply & Delivery Service, or furnished by the Customer's Electricity Supplier, shall consist of sixty (60) hertz, single phase or three phase alternating current at one standard primary or secondary voltage. The type of service (number of phases and voltages) available varies with location and load.

Voltage delivered to Customers facilities shall normally be maintained within the limits prescribed by the regulations of the Public Service Commission of Maryland, except under emergency conditions and/or conditions beyond the reasonable control of the Company.

RULES AND REGULATIONS

SECTION XI - CUSTOMER'S USE OF SERVICE - (Continued)

I. Characteristics of Service (Continued)

A Customer or prospective Customer must contact the Company to ascertain the type of service the Company shall provide before making plans for receiving electric delivery service or making alterations to existing service.

Secondary Service - Single phase or three phase circuits carrying a nominal voltage of 480 volts or less between any two conductors.

Primary Service - Single phase or three phase circuits carrying a nominal voltage of 2,400 volts to 34,500 volts between any two conductors.

Transmission Service - Single phase or three phase circuits carrying a nominal voltage in excess of 34,500 volts between any two conductors.

J. Change of Installation

The Customer shall give immediate written notice to the Company of any proposed substantial increase or decrease in, or change of purpose or location of the Customer's installation. The service connection, transformers, meters and equipment supplied by the Company for each Customer have a definite capacity and no additions to the equipment or load connected thereto shall be permitted except by written consent of the Company. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the meters or their auxiliary apparatus or the transformers or wires of the Company caused by the additional or changed installation.

K. Limitation of Use

No other source of electric supply, other than the Customer's Electricity Supplier, shall be introduced or permitted, directly or indirectly, for the Customer's use without written notice to the Company and written consent of the Company which shall not be unreasonably withheld. An installation for which permission has been granted must be made so that the supply of current from the Customer's generator can not feed into the Company's delivery system, unless agreed to by contract between the Company and the Customer. In addition, such source of supply must meet all of the requirements of PJM Interconnection, LLC.

RULES AND REGULATIONS

SECTION XII - DEFECTS IN CUSTOMER'S INSTALLATION

A. Company's Right to Inspect

The Company shall have the right, but shall not be obliged to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, wiring or appliances, or from violation of Company Rules, or from accidents which may occur upon the premises of the Customer.

B. Defective Installations

If at any time the wiring, fixtures or appliances of the Customer are found to be defective or dangerous by the Company's representative or by the local public authorities, service may be refused or discontinued until the Customer has the condition corrected.

C. Customer's Responsibility

The Company assumes no responsibility for any damages done by or resulting from any defect in the wiring, fixtures, or appliances of the Customer. In the event any loss or damage to the property of the Company, or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Customer, its agents, or employees, the cost of the necessary repairs or replacement shall be paid by the Customer to the Company and any liability otherwise resulting shall be assumed by the Customer.

D. Company Liability

The Company shall not be liable for damages resulting from the presence of electric current or the Company's equipment on the Customer's premises, or from the use of the service of the Company by the Customer.

RULES AND REGULATIONS

SECTION XIII - ACCESS TO PREMISES

A. Access to Premises

The authorized agents or representatives of the Company having the proper Company identification shall have access at all reasonable times to the premises of the Customer for the purpose of reading the Company's meters, connecting and disconnecting service, operating, testing, inspecting, repairing, removing and replacing any or all of the Company's apparatus used in connection with the delivery of electricity. If the Company's meters or other equipment are located on the premises of someone other than the Customer, the Customer shall be responsible to arrange for access thereto by Company agents or representatives.

RULES AND REGULATIONS

SECTION XIV - TAMPERING WITH COMPANY'S PROPERTY

A. Tampering Expressly Forbidden

No person except a duly authorized representative of the Company shall make any connection or disconnection, either temporary or permanent between the service load of the Customer and the service wires of the Company or set, change, remove or interfere with or make any connections to the Company's meter or other property or any wiring between the Company's meter and the service wires of the Company.

B. Liability for Tampering

In the event of the Company's meters or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for the costs of any repairs, replacements required, and any other changes in the Customer's installation as may be required by the Company.

## RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE

## A. Right to Discontinue Service

The Company reserves the right to discontinue the service for any of the following reasons.

1. Without Prior Notice
  - a. Unavoidable shortage or interruptions in Company's source of supply or other cases of emergency.
  - b. Whenever a hazardous condition is found to exist on the Customer's premises.
  - c. Interference or tampering with meters or Company equipment or diversion of service.
  - d. Whenever environmental or other hazardous conditions would expose Company employees to undue risk in the maintenance of customer service.
2. With Prior Notice
  - a. Failure to remedy conditions having detrimental effect on the service of others.
  - b. Non-payment of any bill for electric service which is greater than \$50.00 if the security deposit is less than the total owed.
  - c. Non-payment of any bill for electric Delivery Service or the Company's combined Electric Supply & Delivery Service which is less than \$50 and has been outstanding for 3 months or longer.
  - d. Violation of or noncompliance with these Rules and Regulations or the effective Service Classification or Contract. The Company may refuse to provide any service until the Customer has corrected the conditions constituting such violation or noncompliance.
  - e. Failure to pay a deposit as requested.
  - f. Misrepresentation of or failure to disclose any material fact in an apparent attempt to defraud the Company or to avoid payment of any outstanding bill for service rendered.
  - g. Repeated refusal to grant access, during reasonable working hours, for maintenance, meter reading or removal of equipment, inspection or replacement of equipment.
  - h. Failure to pay Service Installation costs.
  - i. For providing a false name or social security number or for failing to disclose, upon request, that past services have been received and not paid for under a different name or social security number, if the Company has reported a theft of services to responsible authorities.

## RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE - (Continued)

## A. Right to Discontinue Service - (Continued)

3. The notice provided for Section XV-A-2 shall consist of not less than fourteen (14) days' notice sent by first class prepaid mail deposited in a United States mailbox and addressed to the Customer at his last known mailing address appearing on the records of the Company. The notice shall conform with the requirements of the Code of Maryland Regulations.

## B. Restoration Charge

Service disconnected by the Company for any reason set forth in Section XV-A or limited pursuant to Section XV-E shall be restored only on payment of the appropriate restoration charge stated below in addition to the previous balance due under the Customer's contract, except when it has been necessary to disconnect or remove overhead or underground service wires to effect discontinuance of service. In such cases, the actual costs of discontinuance and restoration shall be applicable in addition to the previous balance due.

Any Customer whose service has been disconnected or limited may be required to post a deposit in order to have service restored.

<u>Time of Restoration</u>		<u>Restoration Charge</u>
8 a.m. to 5 p.m.	Monday - Friday Excluding Company Holidays	\$30.00
5 p.m. to Midnight	Monday - Friday Excluding Company Holidays	\$60.00
8 a.m. to Midnight	Saturday, Sunday and Company Holidays	\$60.00
Midnight to 8 a.m.	Any Day	\$90.00

## C. Collection of Payments at the Premises

The Customer may avoid service termination or limitation for non-payment of bills by making payment of the previous balance due to a Company representative at the premises.

In addition to payment of the previous balance, there shall be a fee of fifteen dollars (\$15) per trip to the premises for collection of payments.

Installment payments or any other agreements shall be made through one of the Company's District offices.

## RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE - (Continued)

## D. Load Limiting Devices

At the Company's option, in lieu of disconnection of Residential Customers for non-payment pursuant to above Sections XV-A-2 (b) or (d), the Company may install a load limiting device that restricts the amount of power flow to the Customer. The use of a load limiter shall occur only when termination for nonpayment of energy bills, deposit, or other charges would have been permitted under the applicable sections of the Code of Maryland Regulations.

Load limiters shall be used in compliance with the following:

1. Load limiters shall not be installed without Customer concurrence. Where the Customer desires to not have the device installed or to have the device removed, normal termination procedures shall apply.
2. Notification to the Company that an occupant of the residential premises is elderly, handicapped, seriously ill, or relies upon life support equipment shall prevent utilization of the load limiter device.
3. Load limiters shall not be utilized when, in the judgment of the Company, an unsafe condition would be created or the Customer's installation is not suitable for the load limiter.
4. Load limiters shall not be utilized for Residential Space Heating Customers during the winter period from November 1 through March 31.
5. Load limiters shall normally be installed on A-base and socket meter installations when they are compatible and readily accessible to the Customer and the Company.
6. Load limiters shall be installed for a minimum of seven (7) days and to a maximum of one (1) complete billing cycle (approximately thirty (30) days) unless a greater period is agreed upon by the Customer and the Company.
7. Any Customer having received a load limiter two (2) times with subsequent disconnection shall not be offered a load limiter a third time within the same twelve (12) month period.
8. The minimum size load limiter shall be a 10 ampere, 120 volt, double pole, single throw device.

RULES AND REGULATIONS

SECTION XVI - DISCONTINUANCE OF SERVICE BY CUSTOMER

A. Notice to Discontinue

The Customer must give the Company at least three (3) days' written notice to discontinue service unless otherwise agreed upon and shall be liable for service taken until the meter shall have been disconnected or read. Such notice prior to the expiration of a contract term shall not relieve the Customer from any minimum or guaranteed payment under any contract or Service Classification.

B. Completion of Term

If, by reason of any act, neglect or default of a Customer or its agent, the Company's service is suspended, or the Company is prevented from providing service in accordance with the terms of any contract it may have entered into, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract.

C. Final Bill

The final bill for service shall be based on an actual meter reading and is due and payable when rendered.

## RULES AND REGULATIONS

SECTION XVII - EXTENSIONS

## A. General

Extensions to the Company's electric system shall be provided, owned and maintained under the terms and conditions herein enumerated.

Extensions, as used in this section, refer to overhead or underground conductors and associated materials that must be constructed along public streets, roads and highways, or on private property from the Company's existing electric system to the Applicant's lot line.

Extensions shall be installed either overhead or underground in accordance with the policies of the Public Service Commission of Maryland, and shall be designed with sufficient capacity and suitable material which, in the Company's judgment, shall assure that the Applicant, or Customer, shall receive safe, adequate and reasonable electric service for the foreseeable future. Modifications to the Company's design, requested by the Applicant, shall be made when such modifications are acceptable to the Company in its sole judgment.

Extensions necessary to furnish permanent electric service to new residential buildings and mobile homes shall be made underground.

Where the Applicant requests the Company to install facilities which are more costly than those proposed to be furnished by the Company, the Applicant shall pay the Company the difference in cost between the requested installation and that deemed necessary by the Company.

## B. Extensions

1. The Company shall provide, own and maintain line extensions. The Company's investment in line extensions shall be limited to three (3) times the related estimated annual delivery and transmission service revenue, ("Estimated Revenue"), from Customers to be initially served from the line extension. Where such Estimated Revenue does not justify the estimated investment in the extension, the Applicant shall provide a Financial Guarantee in accordance with Section XVII-D. However, the Company shall construct the line extension from the Applicant's lot line to the existing underground or overhead line on either side of the street at no charge to the Applicant.
2. For the purpose of definition those Customers to be initially served shall be considered as houses or multiple occupancy buildings under construction at the time the contract for the extension is signed. As additional facilities are needed to serve additional Customers, the Applicant may be required to make additional Financial Guarantees or may receive a refund accordingly.
3. When a line extension and service are both required to provide service to a non-residential Customer, the Estimated Revenue shall be compared to the total estimated investment of the line extension and service.

## RULES AND REGULATIONS

SECTION XVII - EXTENSIONS - (Continued)

## B. Extensions - (Continued)

4. Where Customers are served from private facilities, the Company may, upon request, provide maintenance to such facilities with all costs borne by the Customer. Upon the Owner's request, the Company may assume ownership and maintenance responsibilities of private facilities provided they are installed in accordance with or upgraded to Company specifications.

## C. Extensions for Subdivisions

Underground electric distribution system means that portion of the Company's electric utility distribution plant necessary to furnish permanent underground service to all present and anticipated residential buildings and mobile homes in a subdivision. The system includes underground electric service lines as defined in Section VII.

1. For underground electric distribution systems installed in subdivisions, the Company shall construct a connection from the boundary line of the Applicant's subdivision to the Company's existing supply facilities, subject to the following provision:
  - (a) The extension from the boundary line of the subdivision, for a maximum distance of 200 feet, shall be made underground, at the Company's expense; and
  - (b) If an extension in excess of 200 feet is required, then the extension over 200 feet shall be made underground in accordance with the above line extension policy subject to appeal to the Commission if this should appear to be impracticable.
2. When, due to the manner in which a subdivision is developed, the Company is required to construct an underground electric distribution system through a section or sections of the sub-division where service will not be connected for at least 2 years, then the Company may require the Applicant to make a reasonable Financial Guarantee before construction is commenced. The Financial Guarantee may be no more than the estimated installed cost of the underground distribution system less the estimated installed cost of transformers, meters, and services.

The Financial Guarantee, without interest, shall be returned to the Applicant on a proportional basis as each new customer in the subdivision completes his permanent service connection.

Any portion of a Financial Guarantee remaining unrefunded 10 years from the date the Company is first ready to render service from the extension will be retained by the Company and credited to an appropriate account.

## RULES AND REGULATIONS

SECTION XVII – EXTENSIONS - (Continued)

## C. Extensions for Subdivisions - (Continued)

3. The Applicant shall furnish the Company as required, at no charge, property plats, utility plans, grading plans, roadway profiles, and other items showing details of proposed construction with the Applicant's subdivision in reasonable time to allow the Company to engineer, design, and construct its facilities in a safe and efficient manner to meet service requirements and to comply with applicable laws, codes and regulations.
4. Each Applicant will cooperate with the Company, in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible. Additional costs arising from failure of the Applicant to cooperate with the Company, such as his making changes in grade or failing to maintain grade, shall be borne by the Applicant.

If an underground installation is to be constructed within a subdivision designed to include large open areas which would result in an abnormal increase in the investment per customer required to construct the underground distribution system, then the Company may refer the matter to the Maryland Public Service Commission for a ruling as to whether a charge should be assessed against the Applicant, and the amount of the charge, if any.

## D. Financial Guarantees

Financial Guarantees required for extensions shall be the amount equal to the estimated installed cost of the extension less three (3) times the estimated annual delivery and transmission service revenue, ("Estimated Revenue"), from the Customer to be initially served from the extension. Such deposit shall not exceed the equivalent of \$1.00 per foot of the line extension that is not on the Applicant's property, subject to appeal to the Maryland Public Service Commission if this should appear to be impractical. Financial Guarantees may be made by deposit, Letter of Credit or other financial instruments at the Company's discretion.

Should the Applicant provide a deposit it will be returned to the Applicant (without interest) in an amount equal to three (3) times the estimated annual delivery and transmission service revenue, Estimated Revenue, from new Customers as each new Customer completes its permanent service connection directly from the extension for which the deposit was required. In no case shall the total refund be greater than the Applicant's deposit. Any portion of the deposit remaining unrefunded after ten (10) years from the date the Company is first ready to render service from the extension shall be retained by the Company.

Should the Applicant provide a Letter of Credit or other Financial Instrument, the estimated revenue attributable to the extension shall be examined prior to the Letters' or other Instruments' expiration. The Company shall draw on the Letter of Credit or Instrument where a continued financial guarantee is still required. Such draw shall then be considered a deposit under the above section.

RULES AND REGULATIONS

SECTION XVIII - GENERAL COST ADJUSTMENT

A. Applicability

This General Cost Adjustment is applicable to all Service Classifications of this Tariff under the conditions enumerated below.

1. Bills rendered under all Service Classifications of this Tariff shall be increased to offset any new or increased taxes, licenses, franchise fees, rentals or assessments imposed by any governmental authority against the Company's property used in the supply, transmission, distribution or sale of electrical energy operations or supply or sale of electrical energy or the receipts or earnings therefrom on or after January 1, 1971.
2. Such specified taxes, licenses, franchise fees, rentals or assessments as outlined above shall, on the basis of Customer's consumption or billing, be apportioned pro rata among Customers within the limits of any political entity which imposes any such taxes, licenses, franchise fees, rentals, or assessments to offset such special levies and to relieve Customers outside of such political entity of the burden of payment for any such special levies.
3. Any such cost adjustment shall continue in effect only for the duration of the specified levies, and shall not be instituted prior to approval by the Public Service Commission of Maryland.
4. When customers are required under the Rules and Regulations, Service Classifications, and Riders of this Tariff to provide a Contribution-in-Aid-of-Construction, the amount of the contribution shall include an allowance for any taxes to which said contribution may be subjected.

RULES AND REGULATIONS

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MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<b><u>RESIDENTIAL "R"</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$3.64/Month	\$3.64/Month
Distribution Rates:		
First 1,000 kWh Rate	\$0.025430/kWh	\$0.031873/kWh
Excess kWh Rate	\$0.025430/kWh	\$0.012531/kWh
Administrative Credit	Refer to the "AC" Rider	Refer to the "AC" Rider
Universal Service Program Rate	\$0.37/Month	\$0.37/Month
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.002572/kWh	\$0.002572/kWh
<b><u>Standard Offer Service for Residential</u></b>		
<b><u>C</u>ustomers:</b>		
Supply Capacity, Energy and Ancillary Rate	<u>06/01/2007 - 09/30/2007</u> \$0.112224/kWh	<u>10/01/2007 - 05/31/2008</u> To Be Posted On 05/16/2007
Procurement Cost Adjustment	Refer to the "SOS" Rider	Refer to the "SOS" Rider

Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax. For applicability of the SOS Phase-In Credit / Deferred Cost Adjustment, refer to the Rider SOS PIC/DCA.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<b><u>RESIDENTIAL TIME OF USE NON-DEMAND "R-TOU-ND"</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$6.83/Month	\$6.83/Month
Distribution Rates:		
On-Peak Rate	\$0.039335/kWh	\$0.039335/kWh
Off-Peak Rate	\$0.013701/kWh	\$0.013701/kWh
Administrative Credit	Refer to the "AC" Rider	Refer to the "AC" Rider
Universal Service Program Rate	\$0.37/Month	\$0.37/Month
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
Standard Offer Service Phase In Credit / Deferred Cost Adjustment	Refer to Rider SOS PIC/DCA	
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.002278/kWh	\$0.002278/kWh
<b><u>Standard Offer Service for Residential Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rates:	<u>06/01/2007 - 09/30/2007</u>	<u>10/01/2007 - 05/31/2008</u>
On-Peak Rate	\$0.112224/kWh	To Be Posted On 05/16/2007
Off-Peak Rate	\$0.112224/kWh	To Be Posted on 05/16/2007
Procurement Cost Adjustment	Refer to the "SOS" Rider	Refer to the "SOS" Rider

Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax. For applicability of the SOS Phase-In Credit / Deferred Cost Adjustment, refer to the Rider SOS PIC/DCA.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> Billing Months June Through September	<u>WINTER</u> Billing Months October Through May
<b><u>SMALL GENERAL SERVICE – SECONDARY SERVICE “SGS-S”</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$6.39/Month	\$6.39/Month
Distribution Rates:		
Demand Rate First 20 kW	No Charge	No Charge
Demand Rate Greater Than 20 kW	\$3.286481/kW	\$3.286481/kW
Energy Rate First 3,500 kWh	\$0.036592/kWh	\$0.036592/kWh
Energy Rate Excess 3,500 kWh	\$0.000283/kWh	\$0.000283/kWh
Administrative Credit for Type I or Type II	Refer to the “AC” Rider	Refer to the “AC” Rider
Universal Service Program Rate	Refer to the “USP” Rider	Refer to the “USP” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Service Rates:		
Demand Rate First 20 kW	No Charge	No Charge
Demand Rate Greater Than 20 kW	\$0.916427/kW	\$0.916427/kW
Energy Rate First 3,500 kWh	\$0.002978/kWh	\$0.002978/kWh
Energy Rate Excess 3,500 kWh	\$0.000000/kWh	\$0.000000/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rates:		
Energy Rate	\$0.111450/kWh	\$0.101650/kWh
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
<b><u>Standard Offer Service for Type II Customers:</u></b>		
	<u>06/01/2007 – 08/31/2007</u>	<u>09/01/2007 – 05/31/2008</u>
Supply Capacity, Energy and Ancillary Rates:		
Energy Rate	\$0.116520/kWh	To Be Posted On 06/27/2007
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		
	<u>Billing Months</u>	<u>Billing Months</u>
<b><u>OFF PEAK SERVICE – SECONDARY “SGS-S”</u></b>	<u>June Through September</u>	<u>October Through May</u>
Same Charges and Rates as SGS-S		
Plus an Additional Charge	\$8.85/Month	\$8.85/Month

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER	WINTER
	Billing Months June Through September	Billing Months October Through May
<b><u>SEPARATELY METERED SPACE HEATING SECONDARY SERVICE “SGS-S” and “LGS-S”</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Minimum Charge	\$4.92/Month	\$4.92/Month
Distribution Rate	\$0.011023/kWh	\$0.011023/kWh
Administrative Credit for Type I	Refer to the “AC” Rider	Refer to the “AC” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.002425/kWh	\$0.002425/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rate	\$0.115680/kWh	\$0.106460/kWh
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		

**SEPARATELY METERED WATER HEATING SECONDARY SERVICE “SGS-S” and “LGS-S”**

<b><u>Delivery Service Charges:</u></b>		
	Closed to new Customers	Closed to new Customers
Minimum Charge	\$4.92/Month	\$4.92/Month
Distribution Rate	\$0.010514/kWh	\$0.010514/kWh
Administrative Credit for Type I	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.002804/kWh	\$0.002804/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rate	\$0.112700/kWh	\$0.103650/kWh
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<b><u>OUTDOOR RECREATIONAL LIGHTING SERVICE - SECONDARY "ORL"</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$6.39/Month	\$6.39/Month
Distribution Rate	\$0.058282/kWh	\$0.058282/kWh
Administrative Credit for Type I	Refer to the "AC" Rider	Refer to the "AC" Rider
Universal Service Program Rate	Refer to the "USP" Rider	Refer to the "USP" Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.001101/kWh	\$0.001101/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rate	\$0.069510/kWh	\$0.080650/kWh
Procurement Cost Adjustment	Refer to the "SOS" Rider	Refer to the "SOS" Rider

Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<b><u>LARGE GENERAL SERVICE – SECONDARY “LGS-S”</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$0.00/Month	\$0.00/Month
Minimum Charge	\$24.59/Month	\$24.59/Month
Distribution Charge		
Demand Rate	\$2.966707/kW	\$2.966707/kW
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Administrative Credit for Type II	Refer to the “AC” Rider	Refer to the “AC” Rider
Universal Service Program Rate	Refer to the “USP” Rider	Refer to the “USP” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Demand Rate	\$1.035676/kW	\$1.035676/kW
<b><u>Standard Offer Service for Type II Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rates:	<u>06/01/2007 – 08/31/2007</u>	<u>09/01/2007 – 05/31/2008</u>
On-Peak Energy Rate	\$0.116520/kWh	To Be Posted On 06/27/2007
Off-Peak Energy Rate	\$0.116520/kWh	To Be Posted On 06/27/2007
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		
<b><u>Hourly Priced Service (HPS) for Type III Customers:</u></b>		
HPS Supply with Transmission and Ancillary Services is mandatory for all Type III Customers effective June 1, 2005.	Refer to the “HPS” Rider	Refer to the “HPS” Rider
Total Supply Service price for HPS Customers is the sum of Hourly Priced Service, including Transmission and Ancillary.		

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

**MONTHLY CHARGES AND RATES**

<u>SERVICE CLASSIFICATION</u>	<u>SUMMER</u> Billing Months <u>June Through September</u>	<u>WINTER</u> Billing Months <u>October Through May</u>
<b><u>GENERAL SERVICE – PRIMARY “GS-P”</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$0.00/Month	\$0.00/Month
Minimum Charge	\$24.59/Month	\$24.59/Month
Distribution Charge		
Demand Rate	\$2.514181/kW	\$2.514181/kW
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Administrative Credit for Type II	Refer to the “AC” Rider	Refer to the “AC” Rider
Universal Service Program Rate	Refer to the “USP” Rider	Refer to the “USP” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Demand Rate	\$0.847260 /kW	\$0.847260/kW
<b><u>Standard Offer Service for Type II Customers:</u></b>		
	<u>06/01/2007 – 08/31/2007</u>	<u>09/01/2007 – 11/30/2007</u>
Supply Capacity, Energy and Ancillary Rates:		
On-Peak Energy Rate	\$0.116520/kWh	To Be Posted On 06/27/2007
Off-Peak Energy Rate	\$0.116520/kWh	To Be Posted On 06/27/2007
Procurement Cost Adjustment	Refer to the “SOS” Rider	Refer to the “SOS” Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		
<b><u>Hourly Priced Service (HPS) for Type III Large Customer Service:</u></b>		
HPS Supply with Transmission and Ancillary Services is mandatory for all Type III Customers effective June 1, 2005.	Refer to the “HPS” Rider	Refer to the “HPS” Rider
Total Supply Service price for HPS Customers is the sum of Hourly Priced Service, including Transmission and Ancillary.		

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
<b><u>GENERAL SERVICE – TRANSMISSION “GS-T”</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Customer Charge	\$0.00/Month	\$0.00/Month
Minimum Charge	\$24.59/Month	\$24.59/Month
Distribution Charge		
Demand Rate	\$1.792316/kW	\$1.792316/kW
Power Factor Charge or Credit	\$0.030000/kW	\$0.030000/kW
Universal Service Program Rate	Refer to the “USP” Rider	Refer to the “USP” Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Demand Rate	\$0.000000/kW	\$0.000000/kW
<b><u>Hourly Priced Service (HPS) for Type III Customers:</u></b>		
HPS Supply with Transmission and Ancillary Services is mandatory for all Type III Customers effective June 1, 2005.	Refer to the “HPS” Rider	Refer to the “HPS” Rider
Total Supply Service price for HPS Customers is the sum of Hourly Priced Service, including Transmission and Ancillary.		

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES

<u>SERVICE CLASSIFICATION</u>	SUMMER Billing Months <u>June Through September</u>	WINTER Billing Months <u>October Through May</u>
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COGENERATION AND SMALL PRODUCTION "X"

Refer to the "X" tariff

Refer to the "X" tariff

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATESOUTDOOR LIGHTING RATE - "OL" - SERVICE CLASSIFICATION

The specific Delivery Service Charges identified below with \*, have been applied to the listed "Monthly kWh Usage" for the particular light type, as stated on the following leaf, to determine the monthly Delivery Service Charge, before the application of any applicable taxes and are stated on the following leaf. All other rates below shall be applied to the total kWh usage for the billing month to determine those monthly charges.

<u>SERVICE CLASSIFICATION</u>	Summer Billing Months <u>June Through September</u>	Winter Billing Months <u>October Through May</u>
<b><u>OUTDOOR LIGHTING SERVICE - SECONDARY "OL"</u></b>		
<b><u>Delivery Service Charges:</u></b>		
Distribution Charge	\$0.029491/kWh*	\$0.029491/kWh*
Administrative Credit for Type I	Refer to the "AC" Rider	Refer to the "AC" Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.000000/kWh	\$0.000000/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rate	\$0.069510/kWh	\$0.080650/kWh
Procurement Cost Adjustment	Refer to the "SOS" Rider	Refer to the "SOS" Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		

**Traffic and Pedestrian Signals****Delivery Service Charges:**

Distribution Charge	\$0.029491/kWh*	\$0.029491/kWh*
Administrative Credit for Type I	Refer to the "AC" Rider	Refer to the "AC" Rider
Franchise Tax	\$0.000620/kWh	\$0.000620/kWh
Environmental Surcharge	\$0.000145/kWh	\$0.000145/kWh
<b><u>Supply Service Charges with Transmission and Ancillary Services:</u></b>		
Transmission Rate	\$0.000000/kWh	\$0.000000/kWh
<b><u>Standard Offer Service for Type I Customers:</u></b>		
Supply Capacity, Energy and Ancillary Rate	\$0.069510/kWh	\$0.080650/kWh
Procurement Cost Adjustment	Refer to the "SOS" Rider	Refer to the "SOS" Rider
Total Supply Service price is the sum of Standard Offer Service, Transmission, Ancillary and the Procurement Cost Adjustment.		

Note: The above Delivery Service charges apply to those Customers who have an Electricity Supplier, other than the Company, as their energy provider. The above Delivery and Standard Offer Service with Transmission and Ancillary Service charges apply to those Customers who have the Company as their energy provider.

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATES - (Continued)SERVICE CLASSIFICATIONOUTDOOR LIGHTING "OL" – DELIVERY SERVICE MONTHLY RATEWITHOUT ADMINISTRATIVE CREDIT, FRANCHISE TAX AND  
ENVIRONMENTAL SURCHARGE

Service Category (As defined under OL Service)	<u>A</u> Existing Pole	<u>B</u> Metal Hi-Pole (Closed)	<u>C</u> Metal Lo-Pole (Closed)	<u>D</u> Cust. Owned (With Maintenance)	<u>E</u> Cust. Owned (Without Maintenance)	Est. Mo. Avg. kWh
<u>Incandescent</u> (Not available after May 31, 1971)						
1,000L (103W)	\$5.20	-	-	-	-	35
2,500L (202W)	\$5.76	-	-	-	-	69
<u>Mercury Vapor</u> (Open Bottom Luminaire with 2-1/2 ft. Bracket)						
8,600L (175W)	\$6.32					70
<u>Mercury Vapor</u> (Enclosed Luminaire with Bracket)						
4,200L (100W)	\$5.54		-	-	\$1.36	46
8,600L (175W)	\$6.37	\$10.80	\$10.31	\$4.87	\$2.06	70
12,100L (250W)	\$9.83	\$14.25	-	\$7.06	\$2.92	99
22,500L (400W)	\$14.51	\$18.94	-	\$10.54	\$4.57	155
63,000L (1000W)	\$23.57	Not Available After October 30, 1992		-	-	374
<u>High Pressure Sodium</u> (Open Bottom Luminaire with 2-1/2 ft. Bracket)						
5,800L (70W)	\$4.60	-	-	-	-	36
9,500L (100W)	\$5.02	-	-	-	-	49
<u>High Pressure Sodium</u> (Enclosed Luminaire with Bracket)						
4,000L (50W)	\$5.07	-	-	-	\$ 0.62	21
5,800L (70W)	\$5.43	-	-	\$3.68	\$1.06	36
9,500L (100W)	\$6.22	10.65	-	\$4.31	\$1.45	49
16,000L (150W)	\$9.43	\$13.86	-	\$6.47	\$2.03	69
22,000L (200W)	-	-	-	-	\$2.57	87
25,000L (250W)	\$13.27	\$17.69	-	\$9.24	\$3.21	109
50,000L (400W)	\$16.23	\$20.66	-	\$11.68	\$4.84	164
130,000L (1000W)	-	-	-	-	\$11.15	378
<u>Metal Halide</u> (Enclosed Luminaire with Bracket)						
34,000L (400W)	\$15.05	-	-	-	\$4.57	155
<u>Traffic and Pedestrian Signals</u>						
0 - 40 Watt	-	-	-	-	\$ 0.18	6
41 - 80 Watt	-	-	-	-	\$ 0.53	18
81 - 120 Watt	-	-	-	-	\$ 0.88	30
121 - 160 Watt	-	-	-	-	\$ 1.12	38
161 - 200 Watt	-	-	-	-	\$ 1.30	44

In addition, new and existing Customers served within the Conowingo District shall be subject to the Deferred Purchase Power Rider as shown on Leaf No. 105. In addition, to the charges and rates stated above, the Maryland Sales Tax of 5% shall apply to all applicable services, rendered hereunder, unless the Customer is exempt from such tax.

MONTHLY CHARGES AND RATESSERVICE CLASSIFICATIONOUTDOOR LIGHTING "OL" – OPTIONAL EQUIPMENT MONTHLY RATE

For service provided under the "Company Owned Equipment" Service Category, the Additional Monthly charge listed below shall be applicable, in addition to the above applicable OL Monthly Charges, for the respective non-standard optional equipment requested by and used to serve the Customer:

	<u>Additional Monthly Charge</u>
1. Ornamental, Decorative or Floodlighting Luminaires (This amount to be added to Service Category "A")	\$ 2.46
2. Poles	
A. Wood 25 ft. to 40 ft.	\$ 4.43
B. Fiberglass or Aluminum, less than 25 ft.	\$ 4.43
C. Fiberglass 25 ft. to 40 ft.	\$ 7.87
D. Aluminum, Non-Breakaway, 25 ft. to 40 ft.	\$11.80
E. Aluminum, Breakaway, 30 ft. to 45 ft.	\$15.74
F. Metal Pole 25 ft. to 40 ft. (Included in Service Category B) (Not available after January 1, 1984)	\$ 4.43
3. Turn of Century Luminaire, including pole. (This amount to be added to Service Category "A") (Enclosed Luminaire with Bracket)	
A. Style A	\$12.79
B. Style V	\$ 8.85

Filed January 9, 2001

Effective with Meter Readings  
On and After December 27, 2000

Filed in Compliance with Orders in Case Nos. 8738 and 8795  
And as Approved by the Commission with Order No. 76674, dated December 27, 2000

SERVICE CLASSIFICATION "R"

RESIDENTIAL SERVICE

A. Availability

This rate applies throughout the territory served by the Company in the State of Maryland and is available to any Customer desiring service for household and other related uses in a single private dwelling or dwelling unit, farmstead, or estate and pertinent detached buildings.

B. Contract Term

Residential contracts are on a monthly basis until terminated.

C. Monthly Rate

The monthly charges and rates under this Service Classification are shown on Tariff Leaf No. 45.

D. Standard Offer Service

Until such time that the Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

E. Minimum Bills

The minimum monthly bill shall be the Customer Charge.

F. Primary Discount

This provision is closed to new customers and to changes in existing service for existing customers.

Where service is supplied and metered at primary voltage and the Customer owns and maintains all transforming, switching, and protective equipment, the monthly Delivery Service charge as calculated in accordance with the standard rate table will be decreased by twenty percent (20%) before the application of any tax imposed by governmental authority upon the Company's sales.

SERVICE CLASSIFICATION "R"

RESIDENTIAL SERVICE - (Continued)

G. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "R-TOU-ND"

OPTIONAL RESIDENTIAL TIME OF USE NON DEMAND METERED RATE

## A. Availability

This rate is available, subject to meter availability and installation, for household and other related uses in a single private dwelling or dwelling unit to the first 2000 Customers requesting service under this schedule:

1. Whose present facilities will accommodate a multi-register socket-type meter and where sufficient space exists for the installation of the meter, or
2. Who will make the necessary modifications, at their own expense, to permit the installation of the multi-register socket-type meter.
3. Who agree in writing to remain on this schedule for a minimum of one (1) year.

## B. Contract Term

Written contracts will be required for all Customers receiving service under this Service Classification. The contract will be for an initial term of one (1) year with automatic month-to-month extensions until terminated.

## C. Monthly Rate

The monthly charges and rates under this Service Classification are shown on Tariff Leaf No. 46.

## D. Standard Offer Service

Until such time that the Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

## E. Peak Hours

On-peak hours are 9:00 a.m. to 8:00 p.m. during periods of the year when Eastern Standard Time is in effect, and 10:00 a.m. to 9:00 p.m. when Eastern Daylight Savings time is in effect, Monday through Friday, including holidays falling on weekdays. All other hours are off-peak hours.

## F. Minimum Bills

The minimum monthly bill shall be the Customer Charge.

SERVICE CLASSIFICATION "R-TOU-ND"

OPTIONAL RESIDENTIAL TIME OF USE NON DEMAND METERED RATE - (Continued)

G. Primary Discount

This provision is not available to new or existing Customers.

Where service is supplied and metered at primary voltage and the Customer owns and maintains all transforming, switching and protective equipment, the monthly Delivery Service charge, as calculated in accordance with the standard rate table, will be decreased by twenty percent (20%) before the application of any tax imposed by governmental authority upon the Company's sales.

H. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

I. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "SGS-S"

SMALL GENERAL SERVICE - SECONDARY RATE

## A. Availability

This rate is available to any Customer having a monthly maximum measured demand of less than 300 kW and desiring service at secondary voltage as defined in Section XI-I of the Rules and Regulations. Any Customer taking service under this Service Classification whose measured demand in any month is equal to or exceeds 300 kW shall be automatically transferred to Service Classification "LGS-S", effective with the next succeeding billing month.

## B. Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than (1) year may be required if special investment by the Company is necessary.

## C. Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 47.

## D. Standard Offer Service

Each "SGS-S" Customer will be assigned to one of two Standard Offer Service Types which have unique electric supply rates as shown under the Monthly Charges and Rates. A Customer who has a Peak Load Contribution for capacity amount of less than 60 kW will be assigned to Type I supply service, and a Customer who has a Peak Load Contribution for capacity amount of 60 kW or more will be assigned to Type II supply service. Annually the Customer's Peak Load Contribution for capacity will be determined and the Customer will be assigned to either Type I or Type II supply service based on their new Peak Load Contribution for capacity. Except however, all separately metered Water Heating and Space Heating accounts will be assigned to Type I Standard Offer Service.

Until such time that the Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

## E. Measured Demand

1. The measured demand shall be the greatest demand established by the Customer during any fifteen (15) minute period of the month as measured by demand meter, taken to the nearest whole kilowatt, except as modified by paragraphs 2 or 3.
2. When a Customer has contracted for off-peak service, the measured demand shall be the greatest demand during a fifteen (15) minute interval of the month which occurs during on-peak hours taken to the nearest whole kilowatt.

## SERVICE CLASSIFICATION "SGS-S"

SMALL GENERAL SERVICE - SECONDARY RATE (Continued)

## E. Measured Demand - (Continued)

3. For demands of less than twenty kilowatts (20 kW), the demand of a Customer may be determined, at the option of the Company, by measurement, by assessment after test, or by estimation. When a Customer's demand is estimated it shall be the kilowatts resulting from dividing the kilowatt-hours of energy used during the month by one hundred and seventy-five (175) hours, except that no demand will be estimated at more than twenty kilowatts (20 kW). The Company, on request of a Customer whose demand is so estimated, will test measure the demand, and thereafter will either assess a demand based on the test measurements or install a demand meter where the Customer's use of energy exceeds one hundred seventy-five (175) hours use of its demand.

## F. Off-Peak Service

On-peak hours are 6:00 a.m. to 10:00 p.m. during periods of the year when Eastern Standard Time is in effect, and 9:00 a.m. to 10:00 p.m. when Eastern Daylight Savings time is in effect, Monday through Friday, including holidays falling on weekdays. All other hours are off-peak hours.

The availability of Off-Peak Service is subject to agreement in writing between the Company and the Customer. There shall be an additional charge per month for such service as shown on Tariff Leaf No. 47. The Company reserves the right to restrict the amount of off-peak power available to any individual Customer and to restrict the total amount of off-peak power available on its system.

## G. Billing Demand

The billing demand for each billing month shall be the maximum measured demand as created during that month.

## H. Minimum Charge

The minimum monthly charge shall be the Customer Charge.

## I. Water Heating

This provision is closed to new Customers and to changes in existing service to existing Customers. Any Customer who has elected this separate metering option after May 1, 1980 will be required to convert service to provide for a single meter installation at such time when this option is eliminated.

All accounts served under this Water Heating service will be assigned to Type I Standard Offer Service.

At the Customer's option, service for water heating will be rendered on a separate circuit and separately metered at the monthly charges and rates as shown on Tariff Leaf No. 48. The total connected load of this circuit shall be limited to one hundred watts (100 W) per gallon of tank size or six thousand watts (6,000 W), whichever is larger. Water heating installations shall be subject to Company's approval and open to Company inspection at all reasonable times.

SERVICE CLASSIFICATION "SGS-S"

SMALL GENERAL SERVICE - SECONDARY RATE - (Continued)

J. Space Heating

Any Customer electing this separate metering option after May 1, 1980 will be required to convert service to provide for a single meter installation at such time when this option is closed.

All accounts served under this Space Heating service will be assigned to Type I Standard Offer Service.

Service for permanently installed electric space heating equipment may, at the option of the Customer, be rendered on a separate circuit and separately metered, if such heating equipment is the primary heating source for the space to be heated, and if such heating equipment is adequate to heat such space under normal design temperatures and totals five (5) kilowatts in capacity or more. In determination of adequate installed electric space heating capacity to qualify for the separate service and meter under this rate provision, the decision of the Company shall be final. A Customer may also include water heating equipment in such separate circuit, and in addition equipment for cooling the air exclusively in the same space heated through the separate circuit.

Service for the separate circuit shall be billed at the monthly charges and rates as shown on Tariff Leaf No. 48.

K. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

L. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE

## A. Applicability

This rate is available to any Customer having a maximum measured demand of 300 kW or greater and desiring service at secondary voltage as defined in Section XI-I of the Rules and Regulations. This Rate is not available to any Customer to provide standby capacity for Customer-owned baseload generation. Any Customer served under this Service Classification after January 1, 1984 shall remain on this Classification for at least 12 billing months, even though such Customer's maximum measured demand in succeeding months may be less than 300 kW. After such 12 billing months, at the Customer's option, the Customer may be transferred to Service Classification "SGS-S" provided that the Customer has not had a maximum measured demand of 300 kW or greater within the most recent 12 billing months.

## B. Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary or for demands greater than one thousand kilowatts (1,000 kW).

## C. Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 50.

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service

Each "LGS-S" Customer will be assigned to one of two Standard Offer Service Types which have unique electric supply rates as shown under the Monthly Charges and Rates. A Customer who has a Peak Load Contribution for capacity amount of less than 600 kW will be assigned to Type II supply service, and a Customer who has a Peak Load Contribution for capacity amount of 600 kW or more will be assigned to Type III supply service. Annually the Customer's Peak Load Contribution for capacity will be determined and the Customer will be assigned to either Type II or Type III supply service based on their new Peak Load Contribution for capacity. Except however, all separately metered Water Heating and Space Heating accounts will be assigned to Type I Standard Offer Service.

Until such time that the Type I or II Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Type I or II Customer. When the Type I or II Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Type I or II Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Type I or II Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

## SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE - (Continued)

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service – (Continued)

Until such time that the Type III Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under Standard Offer Service ("SOS") Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer. When the Type III Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under the SOS Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer.

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2004 but before June 1, 2005, the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, either the Company's Large Customer Service, as described under the SOS Rider, or the Company's Hourly Priced Service ("HPS"), as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. In the absence of such Type III Customer's election with proper advance notice to the Company, the Type III Customer shall be served with the Company's Hourly Priced Service, and the Type III Customer must remain on that supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service, except when a Type III Customer is placed on "HPS" as a result of an Electricity Supplier's non-delivery, then the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, to switch and either be served under the Company's Large Customer Service until June 1, 2005, or be served by an Electricity Supplier.

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2005, the Type III Customer with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, will be provided the Company's Hourly Priced Service, as described under Rider HPS, and must remain on the Company's Hourly Priced Service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

Effective June 1, 2005, all Type III Customers served under the Company's Large Customer Service will automatically be switched to and served with the Company's Hourly Priced Service as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Company's Large Customer Service is not available to Type III Customers on and after June 1, 2005. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

## SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE - (Continued)

## E. Measured Demand

The measured demand shall be the greater of the maximum demand established by the Customer during any sixty (60) minute period of the month during on-peak hours as measured by demand meter, taken to the nearest whole kilowatt or one-third (1/3) of the maximum demand established during any sixty (60) minute period of the month during the off-peak hours, taken to the nearest whole kilowatt.

## F. Metering

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement under this Service Classification. For Customers having a maximum demand of 300kW or greater, a meter recording device will normally be provided by the Company. Such a meter recording device does not normally include an electronic communication link to remotely access the metered data. At the Company's sole discretion, an electronic communication link may be used to remotely access the metered data.

## G. Peak Hours

On-peak hours are 6:00 a.m. to 10:00 p.m. during periods of the year when Eastern Standard Time is in effect, and 9:00 a.m. to 10:00 p.m. when Eastern Daylight Savings Time is in effect, Monday through Friday, including holidays falling on weekdays. All other hours are off-peak hours.

## H. Power Factor

When the measured demand is 300 kW or more for the current month or any of the previous eleven (11) months, the average power factor of the Customer's installation, expressed in the nearest whole percent, shall be determined by metering installed by the Company ratcheted to prevent reverse registration. Ninety percent (90%) lagging shall be considered to be the base power factor.

If the average power factor is determined to be below ninety percent (90%) for any given month, an additional charge of \$0.03 per kilowatt of measured demand for every whole percent less than ninety percent (90%) will be added to the monthly bill. If the average power factor is determined to be between ninety percent (90%) and one hundred percent (100%) for any month, a credit of \$0.03 per kilowatt of measured demand for every whole percent above ninety percent (90%) will be added to the monthly bill.

## I. Billing Demand

The billing demand for each billing month shall be the measured demand as defined in Section E above.

## J. Minimum Charge

The minimum monthly charge shall be as shown on Tariff Leaf No. 50.

## SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE - (Continued)

## K. Water Heating

This provision is closed to new Customers and to changes in existing service to existing Customers. Any Customer who has elected this separate metering option after May 1, 1980 will be required to convert service to provide for a single meter installation at such time when this option is eliminated.

At the Customer's option, service for water heating will be rendered on a separate circuit and separately metered and billed at the monthly charges and rates as shown on Tariff Leaf No. 48. The total connected load of this circuit shall be limited to one hundred watts (100 W) per gallon of tank size or six thousand watts (6,000 W), whichever is larger. Water heating installations shall be subject to Company's approval and be open to Company inspection at all reasonable times.

All accounts served under this Water Heating service will be assigned to Type I Standard Offer Service.

Until such time that the separately metered water heating Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

Service for the separate circuit shall be billed at the monthly charges and rates as shown on Tariff Leaf No. 48.

## L. Space Heating

Any Customer electing this separate metering option after May 1, 1980 will be required to convert service to provide for a single meter installation at such time when this option is closed.

Service for permanently installed electric space heating equipment may, at the option of the Customer, be rendered on a separate circuit and separately metered, if such heating equipment is the primary heating source for the space to be heated, and if such heating equipment is adequate to heat such space under normal design temperatures and totals five (5) kilowatts in capacity or more. In determination of adequate installed electric space heating capacity to qualify for the separate service and meter under this rate provision, the decision of the Company shall be final. A Customer may also include water heating equipment in such separate circuit, and in addition equipment for cooling the air exclusively in the same space heated through the separate circuit.

All accounts served under this Space Heating service will be assigned to Type I Standard Offer Service.

## SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE - (Continued)

## L. Space Heating – (Continued)

Until such time that the separately metered space heating Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

Service for the separate circuit shall be billed at the monthly charges and rates as shown on Tariff Leaf No. 48.

## M. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

## N. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "GS-P"

GENERAL SERVICE - PRIMARY RATE

## A. Availability

This rate is available to any Customer desiring service at primary voltage as defined in Section XI-I of the Rules and Regulations, and who owns and maintains the required transforming, switching and protection equipment. This rate is not available to any Customer to provide standby capacity for Customer-owned baseload generation. This rate is not available to residential customers.

## B. Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for any initial period of more than (1) year may be required if special investment by the Company is necessary or for demands greater than one thousand kilowatts (1,000 kW).

## C. Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 51.

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service

Each "GS-P" Customer will be assigned to one of two Standard Offer Service Types which have unique electric supply rates as shown under the Monthly Charges and Rates. A Customer who has a Peak Load Contribution for capacity amount of less than 600 kW will be assigned to Type II supply service, and a Customer who has a Peak Load Contribution for capacity amount of 600 kW or more will be assigned to Type III supply service. Annually the Customer's Peak Load Contribution for capacity will be determined and the Customer will be assigned to either Type II or Type III supply service based on their new Peak Load Contribution for capacity. Except however, all separately metered Water Heating and Space Heating accounts will be assigned to Type I Standard Offer Service.

Until such time that the Type I or II Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Type I or II Customer. When the Type I or II Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Type I or II Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Type I or II Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

## SERVICE CLASSIFICATION "GS-P"

GENERAL SERVICE - PRIMARY RATE - (Continued)

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service – (Continued)

Until such time that the Type III Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under Standard Offer Service ("SOS") Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer. When the Type III Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under the SOS Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer.

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2004 but before June 1, 2005, the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, either the Company's Large Customer Service, as described under the SOS Rider, or the Company's Hourly Priced Service ("HPS"), as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. In the absence of such Type III Customer's election with proper advance notice to the Company, the Type III Customer shall be served with the Company's Hourly Priced Service, and the Type III Customer must remain on that supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service, except when a Type III Customer is placed on "HPS" as a result of an Electricity Supplier's non-delivery, then the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, to switch and either be served under the Company's Large Customer Service until June 1, 2005, or be served by an Electricity Supplier.

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2005, the Type III Customer with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, will be provided the Company's Hourly Priced Service, as described under Rider HPS, and must remain on the Company's Hourly Priced Service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

Effective June 1, 2005, all Type III Customers served under the Company's Large Customer Service will automatically be switched to and served with the Company's Hourly Priced Service as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Company's Large Customer Service is not available to Type III Customers on and after June 1, 2005. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

## SERVICE CLASSIFICATION "GS-P"

GENERAL SERVICE - PRIMARY RATE - (Continued)

## E. Measured Demand

The measured demand shall be the greater of the maximum demand established by the Customer during any sixty (60) minute period of the month during on-peak hours as measured by demand meter, taken to the nearest whole kilowatt or one-third (1/3) of the maximum demand established during any sixty (60) minute period of the month during the off-peak hours, taken to the nearest whole kilowatt.

## F. Metering

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement under this Service Classification. For Customers having a maximum demand of 300kW or greater, a meter recording device will normally be provided by the Company. Such a meter recording device does not normally include an electronic communication link to remotely access the metered data. At the Company's sole discretion, an electronic communication link may be used to remotely access the metered data.

## G. Peak Hours

On-peak hours are 6:00 a.m. to 10:00 p.m. during periods of the year when Eastern Standard Time is in effect, and 9:00 a.m. to 10:00 p.m. when Eastern Daylight Savings Time is in effect, Monday through Friday, including holidays falling on weekdays. All other hours are off-peak hours.

## H. Power Factor

When the measured demand is 300 kW or more for the current month or any of the previous eleven (11) months, the average power factor of the Customer's installation, expressed in the nearest whole percent, shall be determined by metering installed by the Company ratcheted to prevent reverse registration. Ninety percent (90%) lagging shall be considered to be the base power factor.

If the average power factor is determined to be below ninety percent (90%) for any given month, an additional charge of \$0.03 per kilowatt of measured demand for every whole percent less than ninety percent (90%) will be added to the monthly bill. If the average power factor is determined to be between ninety percent (90%) and one hundred percent (100%) for any month, a credit of \$0.03 per kilowatt of measured demand for every whole percent above ninety percent (90%) will be added to the monthly bill.

## I. Billing Demand

The billing demand for each billing month shall be the measured demand as defined in Section E above.

## J. Minimum Charge

The minimum monthly charge shall be as shown on Tariff Leaf No. 51.

SERVICE CLASSIFICATION "GS-P"

GENERAL SERVICE - PRIMARY RATE - (Continued)

K. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

L. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "GS-T"

GENERAL SERVICE - TRANSMISSION RATE

## A. Availability

This rate is available to any Customer desiring service at transmission voltage as defined in Section XI-I of the Rules and Regulations, and who owns and maintains the required transforming, switching and protection equipment. This rate is not available to any Customer to provide standby capacity for Customer-owned baseload generation.

## B. Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for any initial period of more than (1) year may be required if special investment by the Company is necessary or for demands greater than one thousand kilowatts (1,000 kW).

## C. Monthly Rate

The monthly charges and rates under this Service Classification are shown on Tariff Leaf No. 52.

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service

Each "GS-T" Customer will be assigned to Type III Standard Offer Service.

Until such time that the Type III Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under Standard Offer Service ("SOS") Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer. When the Type III Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Large Customer Service before June 1, 2005, as described under the SOS Rider, and the Hourly Priced Service on and after June 1, 2005, for the Type III Customer.

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2004 but before June 1, 2005, the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, either the Company's Large Customer Service, as described under the SOS Rider, or the Company's Hourly Priced Service ("HPS"), as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. In the absence of such Type III Customer's election with proper advance notice to the Company, the Type III Customer shall be served with the Company's Hourly Priced Service, and the Type III Customer must remain on that supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service, except when a Type III Customer is placed on "HPS" as a result of an Electricity Supplier's non-delivery, then the Type III Customer may elect, with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, to switch and either be served under the Company's Large Customer Service until June 1, 2005, or be served by an Electricity Supplier.

## SERVICE CLASSIFICATION "GS-T"

GENERAL SERVICE - TRANSMISSION RATE - (Continued)

## D. Standard Offer Service, Large Customer Service and Hourly Priced Service – (Continued)

When a Type III Customer who has purchased its electric supply services from an Electricity Supplier, other than the Company, returns or is returned to the Company for electric supply services on or after June 1, 2005, the Type III Customer with 17 days advance notice prior to its scheduled meter reading date and by conforming to the Company's enrollment rules and tariff provisions, will be provided the Company's Hourly Priced Service, as described under Rider HPS, and must remain on the Company's Hourly Priced Service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

Effective June 1, 2005, all Type III Customers served under the Company's Large Customer Service will automatically be switched to and served with the Company's Hourly Priced Service as described under Rider HPS, and must remain on that electric supply service for at least one (1) billing month before the Type III Customer may be served by an Electricity Supplier beginning on its scheduled meter reading date. The Company's Large Customer Service is not available to Type III Customers on and after June 1, 2005. The Type III Customer may not switch from the Company's Hourly Priced Service to the Company's Large Customer Service.

## E. Measured Demand

The measured demand shall be the greater of the maximum demand established by the Customer during any sixty (60) minute period of the month during on-peak hours as measured by demand meter, taken to the nearest whole kilowatt or one-third (1/3) of the maximum demand established during any sixty (60) minute period of the month during the off-peak hours, taken to the nearest whole kilowatt.

## F. Metering

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement under this Service Classification. For Customers having a maximum demand of 300kW or greater, a meter recording device will normally be provided by the Company. Such a meter recording device does not normally include an electronic communication link to remotely access the metered data. At the Company's sole discretion, an electronic communication link may be used to remotely access the metered data.

## G. Peak Hours

On-peak hours are 6:00 a.m. to 10:00 p.m. during periods of the year when Eastern Standard Time is in effect, and 9:00 a.m. to 10:00 p.m. when Eastern Daylight Savings Time is in effect, Monday through Friday, including holidays falling on weekdays. All other hours are off-peak hours.

SERVICE CLASSIFICATION "GS-T"

GENERAL SERVICE - TRANSMISSION RATE - (Continued)

H. Power Factor

When the measured demand is 300 kW or more for the current month or any of the previous eleven (11) months, the average power factor of the Customer's installation, expressed in the nearest whole percent, shall be determined by metering installed by the Company ratcheted to prevent reverse registration. Ninety percent (90%) lagging shall be considered to be the base power factor.

If the average power factor is determined to be below ninety percent (90%) for any given month, an additional charge of \$0.03 per kilowatt of measured demand for every whole percent less than ninety percent (90%) will be added to the monthly bill. If the average power factor is determined to be between ninety percent (90%) and one hundred percent (100%) for any month, a credit of \$0.03 per kilowatt of measured demand for every whole percent above ninety percent (90%) will be added to the monthly bill.

I. Billing Demand

The billing demand for each billing month shall be the measured demand as defined in Section E above.

J. Minimum Charge

The minimum monthly charge shall be as shown on Tariff Leaf No. 52.

K. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

L. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

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## SERVICE CLASSIFICATION "OL"

OUTDOOR LIGHTING RATE

## A. Availability

This rate applies through the territory served by the Company in the State of Maryland and is available to any applicant or existing Customer taking Delivery Service or the Company's combined Electric Supply & Delivery Service from the Company for lighting of the Customer's private property or for lighting public streets, highways and approved public and private areas.

## B. Character of Service

Lighting service is available for any approved lighting source. Lumen values, wattage ratings and monthly kWh energy usage of light sources shall be based on the nominal lamp rating as listed by the manufacturers.

## C. Terms of Service

1. Lighting service shall be for an initial term of three (3) years and thereafter from year to year until terminated by at least 30 days written notice by either party. The Company may require payment for removals of new installations in service for less than three (3) years.
2. Lamps used for outdoor lighting shall be lighted from dusk to dawn each night, approximately 4,100 hours per year.
3. Where the lighting unit is attached to a Company approved structure and is located along a public right-of-way, the lighting unit may extend over the public right-of-way or over the Customer's private property. The decision as to the location of a lighting unit on all Company approved structures shall be made by the Company in cooperation with the appropriate public authorities and/or property owners.
4. The Company shall provide Delivery Service or the Company's combined Electric Supply & Delivery Service, and relamp when necessary and maintain the lighting equipment which it owns. All other maintenance shall be at the Customer's expense unless service is provided under the provisions of this service classification under the service category identified as "Customer-Owned Equipment with Company Maintenance." Customers requiring service under unusual conditions, or whose service requirements are different from those provided for herein, may obtain such service under mutually acceptable contractual arrangements.
5. The Company will perform lamp renewals and/or maintenance during normal working hours within a reasonable period following notification by the Customer.
6. All installations must be accessible to Company trucks and personnel for installation, relamping and repairs.

## SERVICE CLASSIFICATION "OL"

OUTDOOR LIGHTING RATE - (Continued)

## C. Terms of Service - (Continued)

7. The Company reserves the right to discontinue service, add a monthly rate surcharge or charge the customer time and material where the cost of providing service is excessive because of vandalism or other reasons.
8. The Company may require payment for the cost of changes in pole and/or luminaire locations requested by the Customer, other than those incidental to street or highway improvements. Also, if a Customer requests the Company to install luminaires at a greater mounting height than that which is achievable on existing poles or relocated poles, the Customer shall be required to pay the Company a Contribution-in-Aid-of-Construction to cover the costs of changing the pole to a taller pole and/or arranging the equipment to accommodate the greater mounting height.
9. The Customer may be required to make a payment toward the costs of installation and removal for changes in lamp size of type under the following conditions:
  - a. The permanent replacement of a light when the lumen output of the lamp remains the same or decreases, and the age of the luminaire is 10 years or less.
  - b. Conversion from one light source to another when the lumen output of the lamp remains the same or decreases, and the age of the luminaire is 10 years or less.Such payment shall be based on the undepreciated installed cost plus the removal cost less salvage.
10. The Customer shall be required to make a payment based on the actual cost of requested work for the temporary replacement and/or relocation of an existing light to a new location and the subsequent movement of the light back to its old location.
11. A request by the Customer to install a new light at the same location within 12 months of the removal of an existing light shall be considered a replacement of the existing light.
12. The extension of the Company's primary voltage distribution facilities, solely for the electric delivery service for outdoor lighting, shall be paid for by the Customer as a Contribution-in-Aid-of-Construction.
13. A Contribution-in-Aid-of-Construction may be required for any company provided lighting. The final design will determine when a Contribution-in-Aid-of-Construction will be required. The company reserves the right to approve the final design.
14. The Company reserves the right to limit the number of lamp conversions for any Customer in any calendar year to no more than 5% of that Customer's total lamps served by the Company at the end of the previous calendar year.

## SERVICE CLASSIFICATION "OL"

OUTDOOR LIGHTING RATE - (Continued)

## D. Monthly Rate Table

The Company shall provide outdoor lighting units and auxiliary equipment as listed in the rate table under the following service categories. The monthly charges and rates under this Service Classification are shown on Tariff Leaf No. 54 through 56.

SERVICE CATEGORY

A: Company Owned Equipment	The Company will install, own and maintain and provide Delivery Service or the Company's combined Electric Supply & Delivery Service to the lighting system, including a standard luminaire installed on an existing Company structure or approved private structure supplied by a secondary aerial circuit. The Company will also supply up to one span of aerial circuit per luminaire from an existing secondary facility in accordance with good engineering practices.
B&C: Company Owned Equipment	Same as Category A with high level metal pole for B and low level metal pole for C. Not available after January 1, 1984.
D: Customer Owned Equipment with Company Maintenance	Where the public lighting Customer installs, owns, and maintains the lighting system, the Company will provide Delivery Service or the Company's combined Electric Supply & Delivery Service, including lamp renewals, glassware and photo control device replacements, providing the lamp, glassware, and photo-cell is of a type normally used by the Company and the installation meets Company specifications. This service category is not available for private lighting Customers after July 1, 1991.
E: Customer Owned Equipment without Company Maintenance	Where the public lighting Customer installs, owns and maintains the lighting system, the Company will provide the Delivery Service or the Company's combined Electric Supply & Deliver Service and one span of aerial service in an aerial distribution area. For underground wiring, the public lighting Customer shall extend the lighting circuit to the nearest Company-owned and approved distribution facilities. This unmetered service category is not available for private lighting customers.

SERVICE CLASSIFICATION "OL"

OUTDOOR LIGHTING RATE - (Continued)

E. Standard Offer Service

Until such time that the Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

F. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

G. Rules and Regulations

The general Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

## SERVICE CLASSIFICATION "ORL"

OUTDOOR RECREATIONAL LIGHTING RATE

## A. Availability

This rate applies throughout the territory served by the Company in the State of Maryland and is available to non-profit organizations and local governmental entities where at least 90% of the total connected load is used for outdoor recreational lighting.

## B. Contract Term and Billing

Standard contracts are for an initial period of one (1) year with automatic month to month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary. Bills will be rendered monthly.

## C. Monthly Rate

The monthly charges and rates under this Service Classification are shown on Tariff Leaf No. 49.

## D. Standard Offer Service

Until such time that the Customer has the right to purchase its electric supply services from an Electricity Supplier, other than the Company, the Company shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. When the Customer has the right to select an Electricity Supplier and has not exercised that right, then the Company shall be the electricity supplier and shall provide the Company's combined Electric Supply & Delivery Service, which includes the Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns or is returned to the Company for its electric supply services, subject to the Company's enrollment rules and tariff provisions, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date after which the Customer may be served by an Electricity Supplier.

## E. Primary Discount

Where service is supplied and metered at primary voltage and the Customer (organization) owns and maintains all transforming, switching, and protective equipment, the monthly Delivery Service charge as calculated in accordance with the standard rate table will be decreased by twenty percent (20%) before the application of any tax imposed by governmental authority upon the Company sales.

## F. Minimum Bills

The minimum monthly bill shall be the Customer Charge.

## G. Public Service Company Franchise Tax

In addition to the charges provided for in this Service Classification, the Maryland Public Service Company Franchise Tax shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

## H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

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Filed April 30, 2004

Effective with Usage On and After June 1, 2004

## SERVICE CLASSIFICATION "X"

COGENERATION AND SMALL POWER PRODUCTION

## A. Availability

This rate schedule is available throughout the territory served by the Company in the State of Maryland and is applicable to purchases of electricity by the Company from cogenerators or small power producers which meet Federal qualifying standards and have a generating capacity of 1,000 kW or less. The rates stated herein are subject to change biennially, or as directed by the Commission.

## B. Delivery Voltage

The delivery voltage shall be the same as if the Qualifying Facility (QF) were purchasing similar quantities of electricity at the same delivery point, considering the load and operating conditions of said facility.

## C. Contract Term

Standard Contracts are for a minimum period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary or if the Customer contracts to receive Capacity Payments as set forth below.

## D. Market Access

The Company's electric system is operated as part of the integrated electric system of the PJM Control Area, under the direction of the control area operator, regional transmission provider, and regional market administrator, PJM. Interconnection with the Company's electric system provides access to wholesale markets as follows:

1. Choice of Markets – Pursuant to 18 CFR §292.303(d) of the regulations, any net excess of the QF's energy and capacity will be transmitted as directed by the Customer either (1) to the energy, capacity and ancillary services markets administered by PJM, for sale at such prices as may be available in those markets from time to time, or (2) to any bilateral purchaser (including the Company) or other market selected by the Customer, for sale as negotiated between the Customer and the purchaser.

2. Point of Delivery – Delivery to the PJM marketplace shall occur at the Interconnection Point under this schedule, provided, for market administration purposes, if the Interconnection Point is not located on a "generation bus" for which a locational marginal price is calculated by PJM, the nominal point of delivery to the PJM marketplace will be the PJM-recognized "generation bus" electrically most directly connected to the Interconnection Point. Delivery to a bilateral purchaser shall occur as arranged with PJM and other transmission providers; such arrangements are the responsibility of the Customer.

## SERVICE CLASSIFICATION "X"

COGENERATION AND SMALL POWER PRODUCTION - (Continued)

## D. Market Access – (Continued)

3. Delivery Arrangements - Power generated and delivered by the QF will be metered for sale in the wholesale marketplace. The Company shall install, own, and maintain all metering equipment needed to measure the kilowatt-hours delivered to the Company. There is no Distribution Service charge for the Company's delivery of the QF's electrical output to the integrated system of the PJM Control Area. Power delivered by the Company to the Customer will be metered by the Company under the applicable Service Classification (for Standard Offer Service or for Delivery Service only, as defined in the Company's Rules and Regulations).

## E. Monthly Rate Table

Monthly Customer Charge: \$ 3.01 (To be paid by Customer)

Energy and Capacity Payments

Upon request, a QF interconnected with the Company under this schedule may sell its output to the Company for resale in the PJM markets in the following manner:

## 1. Energy Payments

The Company will sell the QF's energy in the PJM as-available hourly (real-time) energy market. The Company will pay the QF the hourly energy price received from PJM, less any associated PJM ancillary charges. The Company will pay existing Customers without hourly interval metering the average hourly LMP for the month in which the Customer sells its output to the Company.

## 2. Capacity Payments

If the QF has been certified by PJM as a PJM Capacity Resource, the Company will offer the QF's capacity in the PJM multi-month capacity market, and in the short-term PJM capacity markets if any remains unsold in the seasonal market. The Company will pay the QF the capacity price received from PJM, less any associated PJM charges and less the out-of-pocket cost to the Company of compliance with PJM unit commitment and dispatch requirements with respect to the QF's capacity.

## F. Interconnection with the Company's System

Interconnection with the Company's system requires the installation of protective equipment which, in the Company's judgment, provides safety for personnel; affords adequate protection against damage to the Company's system or to its customer's property; and prevents any interference with the Company's delivery and supply of service to others. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which

## SERVICE CLASSIFICATION "X"

COGENERATION AND SMALL POWER PRODUCTION - (Continued)

## F. Interconnection with the Company's System – (Continued)

originates from a cogenerator's or small power producer's generation facilities, except as the Company would be liable in the normal course of business. Such protective equipment shall be installed, owned and maintained by the cogenerator or small power producer at its expense. In addition, it may be necessary for the Company to extend or modify portions of its systems to accommodate the purchase of electricity from a cogenerator or small power producer. Should such extension or modification be necessary, all work shall be performed by the Company at the cogenerator's or small power producer's expense. For new services, such expense shall be determined by the difference between total costs and the investment the Company would make to install a normal service without Customer-owned generation.

At the Company's request, the cogenerator or small power producer shall furnish, install and maintain, at its own expense, corrective apparatus which results in an average power factor of not less than ninety percent (90%) lagging.

G. Metering

The Company shall install, own and maintain an hourly interval meter and any other metering equipment needed to measure the kilowatt-hours delivered to the Company. Existing Customers under this Service Classification as of December 31, 2003 with facilities of 100 kW or less shall have the option of having their kilowatt-hours delivered to the Company measured by their existing non time-differentiated metering. At the Customer's option, the cogenerator or small power producer shall pay the installed cost of metering but the Company retains ownership of the meter. A monthly meter charge shall be assessed for the following meter types as applicable (for meters not listed below, a separate rate will be developed as necessary and as provided in Paragraph A, Section VIII of Delmarva's Maryland Electric Tariff):

	<u>Rate If Company Pays For Meter</u>	<u>Rate If Customer Pays For Meter</u>
<u>Non time-differentiated metering</u>		
1. Self-contained single phase-200 ampere	\$ 3.93	\$ 2.44
2. Self-contained single phase-400 ampere	\$ 4.33	\$ 2.44
3. Self-contained three phase-200 ampere	\$ 6.30	\$ 2.44
4. Transformer rated three phase	\$13.90	\$ 2.44
<u>Time-differentiated metering</u>		
1. Self-contained single phase-200 ampere	\$ 5.37	\$ 2.44
2. Self-contained three phase-200 ampere	\$ 7.32	\$ 2.44
3. Transformer rated three phase	\$14.60	\$ 2.44

## SERVICE CLASSIFICATION "X"

COGENERATION AND SMALL POWER PRODUCTION - (Continued)

## H. Cessation of Parallel Operation

Parallel operation must cease immediately and automatically during system outages and other emergency or abnormal conditions specified by the Company. The cogenerator or small power producer must cease parallel operation upon notification by the Company if such operation is determined to be unsafe, interferes with the delivery and supply of service to others, or interferes with system maintenance or operation. The Company accepts no responsibility whatsoever for damage or injury to any person or property caused by failure of the cogenerator or small power producer to operate in compliance with Company requirements.

## I. Payment Terms

The Company shall read the meter at approximately 30-day intervals. Payment to the cogenerator or small power producer shall be first applied to outstanding bills and then accumulated up to a balance twenty-five dollars (\$25.00) or more, which shall then be refunded.

## J. Failure to Comply

Failure of the cogenerator or small power producer to comply with any of the requirements set forth in Sections G and H above shall result in disconnection from the Company's system, and the Company will be under no obligation to make subsequent purchases there from.

## K. Alternative Transactions

This Service Classification is premised upon the qualifying facility selling its entire generation output to the Company under the rates set forth herein and then purchasing its entire electric requirements from the Company under the regular rate schedule as applicable (a "simultaneous buy/sell" transaction). Two alternative transactions are available at the Customer's option as follows:

## 1. "Net Excess" Transaction

Under this option, the Customer generates to supply its own load; the customer sells to the Company the generated energy in excess of its own load and purchases only its requirements in excess of its generation. Two meters will be installed, one to meter the net electrical flow from the Company to the Customer, and the other to meter the net electrical flow from the Customer to the Company, both ratcheted to prevent reverse registration. The two meters measure "net" electrical flow. The net flow from the Company will be billed at the Company's regular rate schedule as applicable, while the net flow to the Company will be paid to the Customer based on the above rates, charges, terms and conditions. The appropriate monthly meter charge, as stated in Section G above, will apply for the meter measuring the net electrical flow from the Customer to the Company.

The Standby Service Rider may be applicable under this "Net Excess" provision. Please refer to Rider "S" (Note: *currently pending approval by the Maryland Public Service Commission*).

SERVICE CLASSIFICATION "X"

COGENERATION AND SMALL POWER PRODUCTION - (Continued)

K. Alternative Transactions – (Continued)

2. "No Sale" Transaction

Under this option, the Customer generates energy to supply all or a portion of its own load and purchases any additional requirements from the Company. One meter will be installed, ratcheted to prevent reverse registration, with the type of meter installed as determined by the applicable regular rate schedule. The meter will measure the net electrical flow to the Customer, without offset for periods when the Customer's generation exceeded the Customer's electrical requirements, with billing at the Company's regular rate schedule as applicable. The monthly Customer and meter charges, as set forth in Sections E and G above, will not apply under this option.

L. Dispute Procedure

Unresolved disputes between the Company and Customer concerning service under Service Classification "X" may be submitted to the Maryland Public Service Commission for resolution.

M. Rules and Regulations

Except as herein modified, the Rules and Regulations set forth in this Tariff shall govern the provision of service under this Service Classification.

RIDER "EP"

ELECTRICITY PURCHASED BY THE COMPANY  
FROM COGENERATORS AND SMALL POWER PRODUCERS

Cogeneration and small power production facilities which meet Federal qualifying standards may elect to sell energy to the Company market. The Company shall purchase such energy under Service Classification "X", Cogeneration and Small Power Production, from qualifying facilities with generating capacity of 1,000 kW or less. Purchases from qualifying facilities with generating capacity of greater than 1,000 kW shall be made under special contracts. The rates paid by the Company under such special contracts shall be related to the PJM market value of these sales.

The terms and conditions of purchase shall vary with the circumstances of each specific installation.

If the Company and Customer are unable to agree on the terms and conditions of service under this service classification, the unresolved dispute may be submitted to the Maryland Public Service Commission for resolution.

RIDER "EFT"

ENERGY FOR TOMORROW RIDER

A. Availability

This Rider is available to eligible residential dwellings served under Service Classification "R", "R-TOU-ND", "SGS-S", "LGS-S", and "GS-P", regardless of the Customer's Electricity Supplier. The Customer who agrees to be part of the Company's "Challenge 2000" program will help manage future electricity costs. By participating in this plan, the Customer and the Customer's Electricity Supplier, agrees to allow the Company to cycle off and on the Customer's electrical central air conditioner/heat pump or water heater or both during the times in which the demand for electricity on the Company's system is anticipated to be high or as required to mitigate a system emergency, or for economic purposes.

When the dwelling served is not owned by the Customer, participation in this program is conditioned upon agreement of both the owner of the dwelling, or owner's agent, and the Customer.

Availability is subject to the economic and technical feasibility of the installation of required Company equipment. All of Customer's like appliances must be connected to Company's cycling equipment to qualify for this Rider.

B. Payments for Participating

Each participating Customer shall be paid by the Company, regardless of the Customer's Electricity Supplier, the amounts stated below for each option the Customer selects. Only one credit per household for each option selected shall be paid to the Customer for the months specified below. Payment shall be a separate credit on the Customer's regular monthly electric bill, before applicable taxes, and shall not reduce Customer's monthly electric bill below the Minimum Monthly Charge found on the applicable service classification:

<u>Option Selected</u>	<u>Monthly Credit</u>	<u>Months Credit Paid to Customer</u>
Air Conditioning	\$5.00	June, July, August & September
Water Heating	\$3.00	June, July, August & September

C. Customer Options Available & Eligibility Criteria

A participating Customer may select any one of the following three options:

Option 1 - Air Conditioner Cycling

This option is available to any Customer who has an electric central air conditioner or heat pump with an air conditioning cycle.

Option 2 - Water Heater Cycling

This option is available to any Customer who has an electric water heater of at least 40 gallons of capacity.

Option 3 - Both Air Conditioner and Water Heater Cycling

This option is available to any Customer who qualifies for both Options 1 and 2.

## RIDER "EFT"

ENERGY FOR TOMORROW RIDER - (Continued)

## D. Cycling Periods

Air Conditioners

Under this option, the Company may cycle off and on the Customer's central air conditioner normally on weekdays and normally during the summer season of June 1 through September 30.

The air conditioner may be "cycled off" for up to 15 minutes out of every 30 minute period normally between the on-peak hours of 9 a.m. and 10 p.m. on any weekday. The number of weekdays in which cycling may occur shall be limited to not more than 30 weekdays during the June 1 to September 30 summer season. Of the 30 weekdays that may be used for cycling, no more than 15 weekdays may be used by the Company, at its sole discretion, for economic purposes using the economic cycling guidelines stated below.

In addition, the air conditioner may be "cycled off" for up to 15 minutes out of every 30 minutes during all periods throughout the year as may be required to mitigate a system emergency.

Water Heaters

Under this option, the Company may cycle off and on the Customer's electric water heater normally on weekdays and normally during the summer season of June 1 through September 30.

The water heater may be "cycled off" up to 8 on-peak hours between 9 a.m. and 10 p.m. on any weekday. The number of weekdays in which cycling may occur shall be limited to not more than 30 weekdays during the June 1 to September 30 summer season. Of the 30 weekdays that may be used for cycling, no more than 15 weekdays may be used by the Company, at its sole discretion, for economic purposes using the economic cycling guidelines stated below.

In addition, the water heater may be "cycled off" for up to 8 hours out of every 24 hours during all periods throughout the year as may be required to mitigate a system emergency.

## E. Cycling Equipment

The Customer's air conditioner and/or water heater, depending upon the option selected by the Customer, shall be "cycled off" and then "cycled on" by means of a signal transmitted by the Company to a receiver installed at the Customer's residence. The Customer will allow the Company to install, own and maintain the equipment required for the purpose of the Company cycling off and on operation of those appliances as described herein. Such equipment shall be installed by the Company at no direct cost to the Customer.

RIDER "EFT"

ENERGY FOR TOMORROW RIDER - (Continued)

F. Economic Cycling Guidelines

The Company may activate a cycling event for economic purposes, at its sole discretion, in a non-discriminatory manner in accordance with the following guidelines:

1. The PJM market price for energy, the Locational Marginal Price for the Company's Zone, will likely be \$100/MWH and is expected to increase.
2. The duration of the economic cycling event will generally not exceed eight (8) hours and will not exceed thirteen (13) hours.
3. The economic cycling event will cease by 10:00 p.m.
4. The Company may refuse to activate any economic cycling event that would, in its sole judgment, cause significant reduction in Customer satisfaction or program participation.

## RIDER "PM"

PEAK MANAGEMENT RIDER

## A. Availability

This Rider is available to any eligible Customer regardless of the Customer's electricity supplier and who is served under Service Classifications "SGS-S", "LGS-S", "GS-P", or "GS-T" having a demonstrated load reduction capability of one hundred kilowatts (100 kW) or more and who agrees to either establish a firm service level and curtail load to that level, or agrees to reduce load by a guaranteed amount upon the request of the Company, as set forth herein. In addition, this Rider is available to any eligible Customer regardless of the Customer's electricity supplier and who is served under Service Classifications "SGS-S", "LGS-S", "GS-P", or GS-T having a demonstrated load reduction of twenty-five kilowatts (25 kW) up to less than one hundred kilowatts (100 kW) with the use of a customer-owned generation capacity of twenty-five kilowatts (25 kW) up to less than one hundred kilowatts (100 kW) and who agrees to an establish a firm service level for its non-parallel operating generator and to curtail load to that level, or who agrees to reduce load by a guaranteed amount for its parallel operating generator, upon the request of the Company, as set forth herein.

The Peak Management program is normally activated during the times in which the demand for electricity on the Company's system is anticipated to be high, or as required to mitigate a system emergency, or for economic purposes. The Company reserves the right to limit the total controllable demand served under this Rider on the Company's electric system. Availability is subject to the economic and technical feasibility of the installation of required Company equipment.

## B. Contract Term and Billing

The Customer shall execute an agreement for service provided under this Rider. The agreement shall be for an initial term of twelve (12) months, and year to year thereafter, unless written notice to terminate is given by either party at least sixty (60) days prior to any expiration date. In addition, for agreements executed on and after July 31 of a given year, the initial term shall be for a minimum of twelve (12) months with a maximum term extending to the end of the next subsequent PJM planning period of May 31, and year to year thereafter, unless written notice to terminate is given by either party at least sixty (60) days prior to any expiration date. Also, if PJM reduces or eliminates the benefits of this program to the Company due to the Customer's enrollment with an Electricity Supplier, then the agreement will be subject to termination at the Company's sole discretion on thirty (30) days notice.

In addition, the Company may enter into contractual commitments with customers that preserve the benefits of this program for the Company.

## RIDER "PM"

PEAK MANAGEMENT RIDER - (Continued)

## C. Monthly Peak Management Demand Credit

The Customer's monthly bill shall include a "Peak Management Credit" based upon the Peak Management Option selected by the Customer and the level of the Customer's Peak Management Billing Demand. Peak Management Credits will be applied during the billing months of June through October.

The Peak Management Credits for contracts executed before July 1, 2000 are shown in the table below and shall remain in effect until the contract has expired or is terminated. For contracts executed on or after July 1, 2000, the Peak Management Credits are shown in the table below which shall be periodically updated based on the then effective applicable capacity payment under Service Classification "X", Cogeneration and Small Power Production plus seventy percent (70%), to give recognition to avoided energy costs. The Peak Management Credit for Option 2 shall be equal to the applicable capacity payment under Rate X plus seventy percent (70%). The Peak Management Credit for Option 1 shall be sixty percent (60%) of the Peak Management Credit for Option 2. If Service Classification "X" is terminated for any reason, the last effective applicable capacity payment for a five year contract shall be used as a basis for the Peak Management Credits for new, renewal or extension contracts executed on and after July 1, 2000.

Credits to be paid to the Customer under this Rider shall be applied, before applicable taxes, as part of the Customer's regular monthly General Service bill.

	Monthly Peak Management Credits (June - October) For Contracts Executed <u>Before July 1, 2000</u>	Monthly Peak Management Credits (June - October) For Contracts Executed <u>On or After July 1, 2000</u>
Peak Management Billing Demand Credit:		
Option 1	\$6.00/kW	Sixty percent (60%) of Option 2
Option 2	\$10.00/kW	Prevailing PJM rate as described under Paragraph C above.

## RIDER "PM"

PEAK MANAGEMENT RIDER - (Continued)

## D. Peak Management Billing Demand

Customers shall contract for either Option A. - Firm Service Level or Option B. - Guaranteed Load Drop as the method for determining their Peak Management Billing Demand. The selected option may not be changed until the expiration of the initial contract term or successive terms.

Option A - Firm Service Level

The Customer's "Peak Management Billing Demand" in any billing month shall be equal to the lesser of:

1. The average of the Customer's expected maximum demand, as determined by the Company, during each Peak Management Period had the event(s) not occurred, less the Customer's contract Firm Service Level, or
2. The average of the Customer's expected maximum demand, as determined by the Company, during each Peak Management Period had the event(s) not occurred, less the average of the maximum measured demand(s) recorded during each Peak Management Period for all events in that billing month. Each maximum measured demand recorded during each Peak Management event shall not be less than the Customer's contract Firm Service Level.

At the Company's discretion, the Customer's expected maximum demand as stated above may be substituted with the Customer's maximum measured demand, as defined under the applicable General Service Classification, excluding any off-peak demand provision.

Such Peak Management Billing Demands shall not be less than zero.

Option B - Guaranteed Load Drop

The Customer's "Peak Management Billing Demand" in any billing month shall be equal to the lesser of:

1. The Customer's contract Guaranteed Load Drop, or
2. The average of the Customer's expected maximum demand, as determined by the Company, during each Peak Management Period had the event(s) not occurred, less the average of the maximum measured demand(s) recorded during each Peak Management Period for all events in that billing month. Each maximum measured demand recorded during each Peak Management Period event shall not be less than the Customer's expected maximum demand less the Customer's contract Guaranteed Load Drop.

At the Company's discretion, the Customer's expected maximum demand as stated above may be substituted with the Customer's maximum measured demand, as defined under the applicable General Service Classification, excluding any off-peak demand provision.

Such Peak Management Billing Demand shall not be less than zero.

RIDER "PM"

PEAK MANAGEMENT RIDER - (Continued)

E. Firm Service Level or Guaranteed Load Drop

Customers shall contract for a Firm Service Level for Option A or a Guaranteed Load Drop for Option B for the period of June through October, for the minimum amount of load reduction and participation option as specified under the Availability clause above. Customers shall be subject to Peak Management Period(s) from June 1 through September 30 between the on-peak hours of 9 a.m. and 10 p.m. on any weekday and during other times throughout the year as may be required to mitigate a system emergency. Where a Peak Management Period is declared during such off-peak and/or non summer periods and a Customer is unable to comply due to operational conditions, the penalty for non-compliance will be waived for that event.

F. Changes in Firm Service Level or Guaranteed Load Drop

Upon ninety (90) days written notice, subject to approval by the Company, the Customer may increase the Firm Service Level or decrease Guaranteed Load Drop amount and/or reestablish selected peak management option for the upcoming peak management season. However, the Customer, upon thirty (30) days written notice and subject to Company approval, may decrease the Firm Service Level or increase Guaranteed Load Drop. After the initial three seasons of participation under this Rider, any increase in Customer's Firm Service Level or reduction in Guaranteed Load Drop amount shall not exceed twenty-five (25) percent of the level established during the most recent peak management season. Except that, Customer's Firm Service Level may be increased upon one (1) month's written notice to reflect the addition of load, as verified by the Company. The specified Firm Service Level or Guaranteed Load Drop shall, after adjustment, continue to provide for a minimum load reduction as specified under the Availability clause above.

G. Peak Management Compliance

The Company shall provide a minimum of one-hour notice prior to initiating a Peak Management Period. The maximum recorded demand of the Customer must be reduced to a level at or below the Customer's contract Firm Service Level or provide the Guaranteed Load Drop, by the beginning of the Peak Management Period. The Customer's demand must be maintained at or below Customer's contract Firm Service Level or the Customer must provide the Guaranteed Load Drop until the end of the Peak Management Period. The Company is solely responsible for determining the need for initiating a Peak Management Period.

H. Peak Management Options Available

The Customer has the option to contract for either one of the two Peak Management Options listed below which will determine the Peak Management Billing Demand Credit that the Customer will receive.

<u>Peak Management Options</u>	<u>Maximum Duration of Peak Management Period</u>	<u>Maximum Number of Peak Management Periods Per Calendar Year</u>	<u>Annual Maximum Hours</u>
1	4 Hours	20	80
2	8 Hours	40	160
	4 Hours Minimum		

## RIDER "PM"

PEAK MANAGEMENT RIDER - (Continued)

## I. Penalty for Non-Compliance

Except as provided for in Section E, if, upon request by the Company to the Customer, the Customer fails to effect the reduction to the applicable Firm Service Level or provide the Guaranteed Load Drop, the Customer shall be subject to a penalty as follows: The Company shall record the measured demands established by the Customer during each Peak Management Period(s) of the billing month. The maximum such demand in excess of Customer's contract Firm Service Level or Load Drop Shortfall, depending upon the option selected by the Customer, shall be recorded during each Peak Management Period. The Load Drop Shortfall equals 1) the Customer's contract Guaranteed Load Drop, minus 2) the average of the expected maximum demand, as determined by the Company, during each Peak Management Period had the event(s) not occurred, less the average of maximum measured demand established during each Peak Management Period. The Load Drop Shortfall shall not be less than zero. At the Company's discretion, the Customer's expected maximum demand during the Peak Management Period had the event(s) not occurred, may be substituted with the Customer's maximum measured demand, as defined under the applicable General Service Classification, excluding any off-peak demand provision.

The sum of such recorded excess demand or Load Drop Shortfall shall be divided by the number of Peak Management Periods designated by the Company during the billing month to determine the Customer's average "Non-Compliance Demand". Such Non-Compliance Demand shall be billed at two (2) times the applicable Peak Management Credit for the billing month. Except that, the Company shall waive the application of the Non-Compliance Demand penalty during the Customer's first billing month of operation under this Rider. The Company may discontinue offering Rider "PM" to any Customer who frequently or deliberately fails to comply with a request for load reduction during a Peak Management Period.

## J. Billing Demand Free Periods

After each of the Peak Management Period(s) is terminated, the day's remaining on-peak hours will not be utilized to establish a billing demand.

## K. Company Equipment

The Customer will allow the Company to install, own and maintain the equipment required, including interval meters, for the purpose of administering this Rider. Such equipment shall be installed by the Company at no direct cost to the Customer.

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## RIDER "DPP"

DEFERRED PURCHASED POWER RIDER

## A. Applicability

The Deferred Purchased Power Rate is applicable to new and existing Customers served within the Conowingo District of Delmarva Power & Light Company under each of the Company's rate schedules. It shall be applicable until the Deferred Purchased Power Initial Balance plus interest is recovered in compliance with Order No. 71719 and the Commission's letter dated October 26, 1995 in Case No. 8583.

## B. Term

The Deferred Purchased Power Rate shall remain in effect until the Deferred Purchased Power remaining balance is reduced to zero. The Deferred Purchased Power Rate will be reset each time Delmarva's Maryland Retail base rates are changed.

## C. Rate Calculation

The Deferred Purchased Power Rate is a fixed overall percentage of 4.4% (converted to a separate fixed cents per kWh rate for each rate schedule).

The Deferred Purchased Power Rate is as follows:

<u>Rate Schedule</u>	<u>Rate (¢ per Kilowatt-hour)</u>
R	0.371¢ per kWh
RTOU-ND	0.371¢ per kWh
SGS-S	0.393¢ per kWh
LGS-S	0.307¢ per kWh
GS-P	0.241¢ per kWh
GS-T	0.241¢ per kWh
OL	0.393¢ per kWh
ORL	0.393¢ per kWh

## RIDER "BSWEGS"

BIOMASS, SOLAR AND WIND ELECTRIC GENERATION SERVICE RIDER

## A. Availability

This Rider is available to any eligible customer-generator, regardless of the Customer's Electricity Supplier, that owns and operates a biomass, solar electric generating facility or wind electric generating facility that:

- 1) has a capacity of not more than 200 kW, except as provided in number 5 below;
- 2) is located on the Customer's premises;
- 3) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and
- 4) is intended primarily to offset all or part of the Customer's own electricity requirements.
- 5) an eligible Customer-generator may petition the Maryland Public Service Commission to apply this rider to an electric generation system with a capacity not exceeding 500 kW if the Commission finds that the project meets public safety and reliability requirements and is in the public interest.

The watt-hour energy meter measures the net energy consumed or the net energy delivered by the Customer for the total billing period. Any Customer who elects this Rider must submit a completed interconnection application with the Company, in writing, at least 30 days prior to activating the biomass, solar or wind electrical generating facility. The biomass, solar or wind electrical generating facility shall not be connected to the Company's system unless it conforms to the National Electrical Code, the Institute of Electrical and Electronic Engineers, Underwriters Laboratories and the applicable codes of the local public authorities. The Customer must obtain, at their expense, all necessary inspections and approvals required by the local public authorities before the biomass, solar or wind electrical generating facility is connected to the Company's electric system. The biomass, solar or wind electrical generating facility shall have adequate protection as described in Section F below.

This Rider is available to the extent that biomass, solar and wind electrical generating power in the state of Maryland does not exceed a capacity of 34,722 kW.

## B. Delivery Voltage

The delivery voltage of the biomass, solar or wind electrical generating facility shall be at the same voltage level and at the same delivery point as if the Customer were purchasing all of their electricity from the Company.

## C. Contract Term

The contract term shall be same as that under the Customer's applicable Service Classification. A completed Interconnection Application, completed by the Customer and accepted by the utility, is required for service provided under this Rider.

## D. Monthly Rates, Rate Components and Billing Unit Provisions

The monthly rates, rate components and billing unit provisions shall be those as stated under the Customer's applicable Service Classification. Under this Rider, only the per kilowatt-hour charge components of the Customer's bill are affected. All other billing components and charges, such as Customer Charge, Demand Charge and Power Factor amount, are not affected by this Rider. The monthly charges shall be based on one the following conditions:

## RIDER "BSWEGS"

BIOMASS, SOLAR AND WIND ELECTRIC GENERATION SERVICE RIDER - (Continued)

## D. Monthly Rates, Rate Components and Billing Unit Provisions - (Continued)

1. When the monthly energy meter reading registers that the Customer has consumed more energy than the Customer delivered to the Company's delivery system by the end of the monthly billing period, the Customer shall be charged for the electricity consumed based on the rates and charges under the Customer's applicable Service Classification for either Delivery Service or the Company's combined Supply & Delivery Service.
2. When the Customer has delivered more energy to the Company's delivery system than the Customer has consumed by the end of the monthly billing period, the Company shall take ownership of such net excess energy, regardless of the Customer's Electricity Supplier, and the Customer shall be charged the greater of:
  - a. The Customer Charge, and any applicable non-energy charges such as: Demand Charge, Power Factor Charge and Universal Service Charge under the Customer's applicable Service Classification, or
  - b. The monthly Minimum Charge under the Customer's applicable Service Classification.
3. The Company will carry forward a negative kilowatt-hour reading until the Customer-generator's consumption of electricity from the Company eliminates the credit, or the 12-month generation credit accrual period expires.

## E. Metering

The Company shall furnish, install, maintain and own all the metering equipment needed for measurement of the service supplied. Under this Rider, the Company shall provide, at no direct charge, a watt-hour energy meter with the capability of reverse registration in order to measure the net watt-hours consumed by the Customer or the net watt-hours delivered by the Customer to the Company for the total billing period. The Company's metering investment shall be limited to that required to serve the Customer under the Customer's applicable Service Classification without the biomass, solar or wind electrical generating facility. Where a larger capacity meter is required to serve the Customer that has a biomass, solar or wind electrical generating facility, or a larger capacity meter is requested by the Customer, the Customer shall pay the Company the difference between the larger capacity meter investment and the metering investment normally provided under the Customer's Service Classification.

## F. Interconnection with the Company's System

Interconnection with the Company's system requires the installation of protective equipment which, provides safety for personnel; affords adequate protection against damage to the Company's system or to its customer's property; and prevents any interference with the Company's supply of service to other Customers. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which originates from the Customer's biomass, solar or wind electrical generating facility, except as the Company would otherwise be liable under the Company's Maryland electric tariff. Such protective equipment shall be installed, owned and maintained by the Customer at their expense. In addition, it may be necessary for

## RIDER "BSWEGS"

BIOMASS, SOLAR AND WIND ELECTRIC GENERATION SERVICE RIDER - (Continued)

## F. Interconnection with the Company's System – (Continued)

the Company to extend or modify portions of its systems to accommodate the delivery of electricity from the biomass, solar electric or wind electrical generating facility. Should such extension or modification be necessary, all work shall be performed by the Company at the Customer's expense. For new services, such expense shall be determined by the difference between total costs and the investment the Company would make to install a normal service without the Customer's biomass, solar electric or wind electrical generating facility.

The biomass, solar electric or wind electrical generating facility shall conform to the National Electrical Code and the applicable codes of the local public authorities. Special attention should be given to the National Electrical Code Sections 690 and 705.

## G. Cessation of Parallel Operation

The Customer's equipment must be installed and configured so that parallel operation must cease immediately and automatically during system outages or loss of the Company's primary source. The Customer must also cease parallel operation upon notification by the Company of a system emergency, abnormal condition, or in cases where such operation is determined to be unsafe, interferes with the supply of service to other Customers, or interferes with the Company's system maintenance or operation. The Company accepts no responsibility whatsoever for damage or injury to any person or property caused by failure of the Customer to operate in compliance with Company's requirements.

## H. Failure to Comply

If the Customer fails to comply with any of the requirements set forth in sections F and G above, the Company will disconnect the Customer's service from the Company's electric system until the requirements are met, or the biomass, solar or wind electric generation facility is disconnected from the Customer's electric system.

## I. Rules and Regulations

Except as herein modified, the Rules and Regulations set forth in this Tariff shall govern the provision of service under this Rider and under the Customer's applicable Service Classification.

## SERVICE CLASSIFICATION "EDR"

ECONOMIC DEVELOPMENT RIDER

## A. Purpose

The purpose of this Economic Development Rider (the "Rider") is to provide a discount from regular tariff rates for service to certain new and existing commercial and industrial customers of the Company if they make substantial new capital investments or create new employment opportunities and, in doing so, add load in the Company's service territory.

## B. Availability

Customers to whom this Rider is available are: (1) Customers eligible for or taking service from the Company under Service Classifications "SGS-S", "LGS-S", "GS-P", or "GS-T"; (2) Whose operations at a facility in the Company's service territory for which a discount under this Rider is sought fall primarily under Standard Industrial Code classifications 20 through 38, and 60 through 67 except 65; (3) Who apply to the Company in writing, for a discount under this Rider; and (4) Who satisfy all other Rider criteria.

Discounts under this Rider are available for New Load associated with either initial permanent service (a "New Customer") or an expansion of existing service (an "Expansion Customer") at a single integrated facility. The New Customer or Expansion Customer must have added at least 25 Investment Units as of the Operational Date.

The Company shall be solely responsible for determining eligibility for discounts under this Rider, and the availability of such discounts may be limited or discontinued from time to time, as the Company determines is appropriate and the Maryland Public Service Commission approves. Examples of situations where discounts under this Rider are not available include situations where: (1) The identity of a Customer to whom the Company currently provides, or has provided, service has changed solely due to a name change, purchase, merger, consolidation, or reorganization; (2) A customer has substituted one service address in the Company's service territory for another; (3) Strikes, equipment failures, temporary plant shutdowns; or other similar circumstances are what allow the Customer to claim eligibility for discounts under this Rider; or (4) The economic development purpose of this Rider is not being served.

## C. Definitions

New Load - For a New Customer, New Load is the total metered demand and energy attributable to initial permanent service. For an Expansion Customer, New Load is the net demand and energy attributable to the expansion, as determined by the Company.

Investment Unit - An Investment Unit is equal to 1 non-seasonal, full-time job or \$80,000 in capital investment.

Operational Date - The Operational Date for a New or Expansion Customer shall be the first day of full operation of the new or expanded facility. In no event, however, shall the Operational Date be later than 2 years after the New Customer or Expansion Customer applies for the discount available under this Rider.

## SERVICE CLASSIFICATION "EDR"

ECONOMIC DEVELOPMENT RIDER - (Continued)

## D. Application of Credit

Beginning on the Operational Date, a credit based on the percentages set forth below will be applied to the Company's combined Electric Supply & Delivery Service bill for service agreements executed before July 1, 2000, and to the Delivery Service bill for service agreements executed on and after July 1, 2000, for service of the New Load of the New Customer or Expansion Customer during the periods specified below as long as the New Customer or Expansion Customer remains eligible for the discounts under this Rider:

Months 1 - 12	5%
Months 13 - 24	4%
Months 25 - 36	3%
Months 37 - 48	2%
Months 49 - 60	1%
Thereafter (if applicable)	0%

## E. Service Agreement

A New Customer or Expansion Customer shall execute a service agreement with the Company, for the period during which discounts are provided under this Rider, a minimum of 5 years. For service agreements executed before July 1, 2000, the New Customer or Expansion Customer shall purchase its total electric requirements from the Company under the Company's combined Electric Supply & Delivery Service. A New Customer or Expansion Customer may increase the percentage discounts available under this Rider by executing a service agreement for a longer period commensurate with the amount of the discount sought.

## F. General Provisions

A New Customer or Expansion Customer must submit a written application to the Company for the discounts under this Rider and such application must be approved by the Company before the Operational Date. The application must include a description of the amount and source of the New Load and the basis on which the New Customer or Expansion Customer believes itself to be eligible for discounts under this Rider.

For an Expansion Customer, the Company may install metering equipment necessary to measure the Expansion Customer's New Load separately from loads already served by the Company. The Company reserves the right to determine how such New Load will be metered. If the Company determines that separate metering is impractical, unduly expensive, or otherwise unnecessary, the Company will administratively determine the New Load eligible for discounts under this Rider.

New Customers or Expansion Customers will give the Company access to information reasonably required by the Company to determine continuing eligibility. Unless expressly altered by this Rider, the terms and conditions of service to a New Customer or an Expansion Customer will be governed by the tariff and service agreement under which the Company provides service to the New Customer or Expansion Customer.

Incremental transmission and distribution investment costs associated with specifically serving a customer who otherwise qualifies for this rider will be separately recovered from that Customer.

SERVICE CLASSIFICATION "EDR"

ECONOMIC DEVELOPMENT RIDER - (Continued)

G. Loss or Reduction of New Load

If, during the initial term of its service agreement with the Company, the New Customer or Expansion Customer ceases or substantially reduces its operations at the facility where discounts have been provided for New load under this Rider, a New Customer or Expansion Customer will refund to the Company discounts provided under this Rider. A substantial reduction in operations shall be deemed to have occurred where the energy usage of the New Customer or the Expansion Customer in 6 consecutive months is 25% or more below the energy usage in the same billing months of the prior year. Reductions in energy usage recommended by the required energy audit shall be excluded from this calculation.

Such refunds shall be equal to the discounts actually received by the Customer on that portion of load that is lost or reduced, as determined by comparing bills for service with and without the discounts provided under this Rider. Refunds shall be due and payable in full within 30 days after the Company renders a bill for such refunds.

H. Contract Terms Filed With The Commission

The Company shall seek approval from the Maryland Public Service Commission at least 60 days prior to the effective date of the Contract.

SERVICE CLASSIFICATION "NCR"

NEGOTIATED CONTRACT RATE

A. Purpose

The Negotiated Contract Rate (the "NCR") is intended to enable the Company to respond to Customer needs and the increasingly competitive forces in the energy and delivery services market. It shall be used by the Company to respond to competitive pricing situations resulting from fuel switching, facility relocation or expansion, partial or complete plant production shifting, and potential physical bypass. The Company shall use the provisions of this Service Classification only after a determination that other existing tariff options will not meet the Customer's needs.

B. Eligibility

The NCR is available to Customers who would otherwise be eligible for service from the Company under the "GS-P" or "GS-T" Service Classifications and qualify as specified herein. Customer qualification shall be based upon meeting each of the following criteria as determined by the Company:

- (a) The Customer has an economic competitive alternative to full or partial service from the Company's standard tariff rates;
- (b) The Customer is likely to select such an alternative if the Company does not provide a negotiated contract rate offer; and
- (c) The Customer will provide net revenues above the incremental costs to provide service.

The Company shall determine eligibility based upon information supplied by the Customer. The Company's evaluation of the application shall consider the economics of the competitive alternative, as well as the practical aspects of securing that alternative (e.g., ability to secure environmental permitting, feasibility studies, switching ability, ability to secure required capital).

The availability of the NCR may be limited or discontinued from time to time, as the Company determines is appropriate and the Maryland Public Service Commission approves.

C. Service Options

If, after reviewing the Customer's application for service, the Company concludes that the Customer meets all the eligibility requirements listed above, the Company shall enter into negotiations with the Customer for the purpose of offering such services as are believed to meet the Customer's requirements. Competitive offers may be made in a manner which provide the Customer with increased choices for service. Service options differentiated by contract term, contract quantity, pricing options, and service attributes may be made available to the qualifying Customer. The agreed upon services shall be specifically described within the Customer Contract.

## SERVICE CLASSIFICATION "NCR"

NEGOTIATED CONTRACT RATE - (Continued)

## D. Contract

Eligible Customers requesting this Service Classification will be presented with a Contract, which specifies the terms and conditions of the contractual agreement between the Company and Customer. The Contract shall establish the otherwise applicable Service Classification for the Customer. The Customer must sign the Contract prior to commencement of this service and any investment by the Company. Service under the contractual agreement will commence on the date as specified in the Contract.

## E. Confidentiality

The Contract shall be considered a confidential document between the Company and Customer. By signing the Contract, the Customer and the Company agree not to share the Contract or information contained within the Contract with anyone except the parties to the contract, the Maryland Public Service Commission and the Office of People's Counsel, unless given written consent from the other party. Violations by the Customer of the confidentiality agreement shall permit the Company to terminate the contract with the Customer and reclassify the Customer by assigning the Customer to the appropriate Service Classification. The Customer shall also be responsible for the additional damages or prejudices to any other existing or potential contracts resulting from the breach of confidentiality.

## F. Pricing Options

Pricing shall be determined on a case-by-case basis according to the nature of the competitive situation. The final arrangements between the Company and Customer shall be included in the Contract.

## G. Contract Termination Clause

The contract between the Company and Customer shall include penalty provisions for early contract cancellation. If at any time prior to the end of the contract term, the Customer elects to terminate the contractual agreement with the Company without exercising an option for continuing service, the Customer shall be obligated to the terms for cancellation as specified within the Contract.

SERVICE CLASSIFICATION "NCR"

NEGOTIATED CONTRACT RATE - (Continued)

H. Increase In Rates And Charges

Unless specifically stated within the Contract, energy sales under this Service Classification shall be subject to any applicable electric supply services charge and those provisions as described in the Tariff.

Customers subscribing to this Service Classification shall be assessed all surcharges of the otherwise applicable Service Classification.

The rates and charges under this Service Classification, including any applicable electric supply services charges and all applicable surcharges, shall be increased by the applicable Maryland Gross Receipts Tax.

I. Contract Terms Filed With The Commission

The Company shall seek approval from the Maryland Public Service Commission at least 60 days prior to the effective date of the Contract.

J. Public Service Company Franchise Tax

In addition to the changes provided for it in this Service Classification, the Maryland Public Service Company Franchise Tax of \$0.000620/kWh shall apply to all sales rendered hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

RIDER “USP”

UNIVERSAL SERVICE PROGRAM RECOVERY RIDER

A. Applicability

This rider is applicable to Service Classifications “R”, “R-TOU-ND”, “SGS-S”, “LGS-S”, “GS-P”, “GS-T”, and “ORL. The surcharge is as follows:

Service Classification

“R”, “R-TOU-ND”

Surcharge

\$0.37 per Month per Residential Customer

“SGS-S”, “LGS-S”, “GS-P”,  
“GS-T”, and “ORL”

The monthly USP charge per customer is stated below\* and is determined based on the Customer’s previous annual distribution revenue, updated in the first quarter of each new year, and in accordance with the Commission’s order.

\* Monthly Universal Service Program Charge for General Service Customers

Customer’s Distribution Electric Annual Billing Amount During the previous Calendar Year.	Monthly Universal Service Program Charge
Under \$175	\$0.42
\$175-\$1,299	\$3.09
\$1,300-\$2,599	\$10.29
\$2,600-\$6,499	\$20.59
\$6,500-\$12,999	\$41.18
\$13,000-\$25,999	\$61.77
\$26,000-\$51,999	\$82.36
\$52,000-\$77,999	\$154.42
\$78,000-\$103,999	\$205.89
\$104,000-\$129,999	\$308.83
\$130,000-\$181,999	\$463.25
\$182,000-\$233,999	\$617.67
\$234,000-\$259,999	\$926.50
\$260,000-\$519,999	\$1,235.33
\$520,000-\$779,999	\$1,647.11
\$780,000-\$1,039,999	\$2,058.89
\$1,040,000-\$1,299,999	\$2,470.67
\$1,300,000-\$1,559,999	\$2,882.45
\$1,560,000-\$1,819,999	\$3,294.22
\$1,820,000-\$2,079,999	\$3,603.06
\$2,080,000-\$2,339,999	\$3,911.89
\$2,340,000-\$2,599,999	\$4,117.78
\$2,600,000-\$3,249,999	\$4,323.67
Over \$3,250,000	\$4,632.50

RIDER "MMR"

METERING AND METER READING RIDER

A. Purpose

The purpose of this Metering and Meter Reading Rider (the "Rider") is to permit certain new and existing commercial and industrial Customers with the opportunity to participate in a program whereby the Customer may choose a third party provider of metering and meter reading services. Upon Customer's written authorization, an Electricity Supplier, as defined by the Public Utilities Companies §1-101(j) of the Maryland Code ("Electricity Supplier"), shall also have the option to purchase and own metering equipment, as delineated in this Rider, on behalf of the Customer. Metering owned by either the Customer, or an Electricity Supplier with the Customer's consent, shall be classified as "Non-Utility owned metering". For purposes of this Rider, the Customer or the Electricity Supplier owning the metering equipment shall be classified as the "Non-Utility Meter Owner".

B. Availability

This Rider is available to:

- (1) Customers eligible for or taking service from the Company under Service Classifications "LGS-S", "GS-P", or "GS-T", and
- (2) Who have a peak demand of at least 300 kW, and
- (3) Who execute an agreement with Delmarva under which Delmarva will have rights of access and easements, with the terms of such agreement being consistent with Section D "General Provisions" of this Rider.

C. Metering Equipment and Meter Reading Credit

During the Customer's participation in this program where the Customer, or an Electricity Supplier with the Customer's consent, has installed their own metering equipment, Delmarva will provide the Customer with a monthly Metering Equipment Credit based on the average avoided cost for the type of metering equipment installed at the Customer's facilities. A one time initial fee based on the average net book value (net of salvage) of the type of meter installed at the customer's facility will be charged to existing customers currently provided with metering equipment from Delmarva metering who elect to participate in the program.

If, during the Customer's participation in this program, the Customer-Owned metering and associated equipment result in Delmarva being able to read the meter electronically by telephone for billing purposes and the prior meter was read on-site, an additional meter reading credit shall be provided by Delmarva as stated below.

Monthly Metering Equipment Credit <u>( per Month per Meter)</u>	Monthly Meter Reading Credit <u>( per Month per Meter)</u>
\$9.51	\$1.70

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RIDER "MMR"METERING AND METER READING RIDER - (Continued)

## D. General Provisions

The following is not intended to be comprehensive and exclusive. Additional terms may be negotiated by either party.

## 1. Term

From installation and activation of meter until termination by either party on 60 days' written notice; such notice not to be made any earlier than 60 days prior to the date that metering becomes available as a competitive service under Maryland law or by order of the Commission.

## 2. Limitation on meters allowed

Meters and associated telemetering equipment must be compatible with Delmarva's MV90 and ITRON protocols and standards to ensure meter reading, meter data interval collection and billing system compatibility and meeting of generally-accepted accuracy and reliability standards for interval metering, including but not limited to ANSI C12 and the Code of Maryland Regulations. All meters shall be sealed and locked between calibrations and each party shall have the right to be present during a calibration of the meter. Delmarva will maintain a list of equipment that meets such protocols and standards. Non-Utility Meter Owners can request additional equipment to be added to the list and the Non-Utility Meter Owner and Delmarva will work together in good faith to develop appropriate procedures for determining that the additional equipment is compatible with Delmarva's MV90 protocols and standards. Any dispute arising under this section that cannot be resolved between the parties shall be taken to the Maryland Public Service Commission for resolution.

## 3. Meter Installation

The Non-Utility Meter Owner will be responsible for meter procurement, installation of the new equipment and removal of the existing equipment. Existing equipment shall be returned to Delmarva in the condition that it existed immediately prior to removal; removal shall not be by means that would damage such equipment. Delmarva will, at the Non-Utility Meter Owner's request and expense, install the new meter, remove the existing meter and return the existing meter to Delmarva. Meter installation shall be performed by a qualified Meter Service Provider (MSP) approved, licensed or certified by an appropriate state agency. Until such time that any MSPs are qualified, meter installations shall be performed by the Company or by a party mutually acceptable to the Company and the Non-Utility Meter Owner. Delmarva has the right but not obligation to inspect plans for installation. Delmarva has the right but not obligation to inspect and /or observe meter installation, set up and initial testing activities. Should any of these services be requested by the customer, Delmarva may charge for these inspection services on a time and material basis. Inspection or failure to inspect, does not render Delmarva liable for any loss or damage resulting from defects in installation, wiring of metering or meter equipment or accidents which may occur on Customer's premises.

Non-Utility Meter Owners who select the telemetering option shall be responsible for installing and maintaining a dedicated telephone line that will permit Delmarva to have telephone access to the meter. Upon mutual agreement, and after telephone, meter and systems compatibility testing is complete, a shared telephone line provided by the Non-Utility Meter Owner may be deemed suitable for telephone access.

Ownership of metering equipment by Non-Utility Meter Owners shall be limited to the meter and telemeter/telephone equipment. Ownership of supplemental components, including but not limited to meter cabinets, test switches, current transformers/potential transformers (CTs/PTs), and associated wiring connections, shall remain with the Company.

## RIDER "MMR"

METERING AND METER READING RIDER - (Continued)

## D. General Provisions - (Continued)

## 4. Customer Responsibilities

The Non-Utility Meter Owner will retain legal title to the meter and telemeter equipment and shall have the duty of and be responsible for the costs of repair, replacement, maintenance, testing, insurance, taxes and risk of loss. The Non-Utility Meter Owner shall provide Delmarva with notification prior to performing testing and or maintenance activities on the meter. Delmarva shall have the right but not obligation to inspect and /or observe meter testing and maintenance activities. Should any of these services be requested by the customer, Delmarva may charge for these inspection services on a time and material basis. The Non-Utility Meter Owner is responsible for repairing or replacing any unsafe, inoperative or defective metering equipment within 5 days of the identification of a defect, or receipt of notice of such a defect.

## 5. Easement and Access Right

Customer and the Non-Utility Meter Owner, if different than the Customer, shall grant rights of access to Delmarva including any necessary easements or license rights across Customer's property in order to permit Delmarva to inspect, test, maintain or read the meter and any associated telemetering equipment, as well as ancillary equipment. Electronic access to the meter shall be by a password-protected system or a similar feature that ensures that Delmarva will always have access to the meter data and will not be denied access as a result of the Non-Utility Meter Owner's interrogation of the meter or the Non-Utility Meter Owner's use of meter data. The Company shall have the right, through password protection, or other appropriate means, to secure the integrity of the portions of telemetering equipment required to record and store information required for Company billing.

## 6. Adjustment of Charges

Similar terms to those in this Tariff will apply to permit the adjustment of charges if it is determined that the Customer-owned meter is slow or fast in excess of the 2% band. Similar terms to those in this Tariff will apply, with the parties switched to permit Delmarva to demand a test of meter accuracy once within an 18 month period at the Non-Utility Meter Owner's expense, and, more often than that with a charge to Delmarva at the same level set forth in this Tariff, except, as also provided in the Tariff, no charge will be made if the meter test shows the meter's inaccuracy to be in excess of the 2% band.

## 7. Mutual Warranties Against Tampering:

Each party warrants to the other that the meter has not been tampered with or deliberately calibrated or set to under-record or over-record usage and that no reprogramming of the meter or software associated with the meter has occurred or will occur that would result in incorrect billing. An intentional breach of this warranty by the Customer or the Non-Utility Meter Owner, if different than the Customer, will cause a termination of the agreement and Customer shall pay all costs of removal of the meter and replacement with a Company-owned meter, and shall pay for the estimated under-recorded usage, including interest at prime plus 2%.

## 8. Indemnification

Each party (the "Indemnifying Party") shall indemnify the other against any claims of third parties arising out of the Indemnifying Party's acts or omissions with respect to the installation, repair, replacement, operation, testing or reading of Non-Utility Owner's meter and any associated telemetering equipment.

RIDER "MMR"

METERING AND METER READING RIDER - (Continued)

D. General Provisions - (Continued)

9. Limitation on Liability

The Non-Utility Meter Owner shall be liable for any physical damage done to Delmarva's systems or equipment as the result of the operation of Non-Utility-Owner's meter and associated equipment.

10. Miscellaneous

All agreements between Non-Utility Meter Owners and the Company shall include provisions for the following: 1.) use of Maryland law; 2.) notices to other party; 3.) informal resolution of disputes by senior officials prior to legal or regulatory actions; 4.) freely assignable with notice but no need for consent; 5.) savings clause for unenforceable term; 6.) no modifications except in writing.

E. Meter Reading

Until such time that the Company and any third party Meter Reading Service Providers ("MRSP") can develop and implement all of the necessary procedures for data transfer, the Company will continue to read the meter on its scheduled date, and use such meter reading for billing purposes. The Company will forward such information to the Customer's Electricity Supplier in the same manner that the Company does when the Company owns the meter. The Company will work with the MRSPs to set up procedures that conform to the Maryland Metering Working Group guidelines.

F. Dispute Procedure

Unresolved disputes between the Company and Customer concerning service under Service Classification "MMR" may be submitted to the Maryland Public Service Commission for resolution.

G. Rules and Regulations

Except as herein modified, the Rules and Regulations set forth in this Tariff shall govern the supply of service under this Service Classification.

## RIDER "SOS"

STANDARD OFFER SERVICE RIDER

## A. Availability

Available in the Maryland portion of the Company's service area for the provision of electric supply and transmission services to Customers who do not have an Electricity Supplier for supply and transmission services, as defined in the Customer Choice Act, Section 7-510(C)(2).

Standard Offer Service ("SOS") is available beginning June 1, 2004 for non-residential rate classes and July 1, 2004 for residential rate classes, in accordance with the provisions contained in the Maryland Case No. 8908 Settlement Agreements (Phase I and II) approved by the Maryland Public Service Commission in Order Nos. 78400 and 78710, and in the Code of Maryland Regulations (COMAR) 20.52 Electric Standard Offer Service.

The key features governing the provision of Standard Offer Service for each type of service offered are described in this Rider.

## B. Description of SOS Types:

Residential:

Applicable to Customers served under Service Classification "R" and "R-TOU-ND".

Available from July 1, 2004 through May 31, 2008.

Customers may leave or return to Rider SOS on their scheduled meter read date without penalty, subject to the Company's Customer enrollment rules and tariffs.

Type I Non-Residential:

Applicable to Customers served under Service Classifications and rate classes: "SGS-S" whose PJM capacity Peak Load Contribution is less than 60 kW, and all Customers served under "GS-SH", "GS-WH", "ORL", and "OL".

Available from June 1, 2004 through May 31, 2008.

Customers may leave or return to Rider SOS on their scheduled meter read date without penalty, subject to the Company's Customer enrollment rules and tariffs.

Type II Non-Residential:

Applicable to Customers served under Service Classifications: "SGS-S" whose PJM capacity Peak Load Contribution is greater than or equal to 60 kW, "LGS-S" whose PJM capacity Peak Load Contribution is less than 600 kW, and "GS-P" whose PJM capacity Peak Load Contribution is less than 600 kW.

Available from June 1, 2004 through May 31, 2006.

Customers may leave or return to Rider SOS on their scheduled meter read date without penalty, subject to the Company's Customer enrollment rules and tariffs.

RIDER "SOS"

STANDARD OFFER SERVICE RIDER – (Continued)

B. Description of SOS Types: – (Continued)

Type III Large Customer Service and Hourly Priced Service (HPS):

Applicable to Customers served under Service Classifications: “LGS-S” whose PJM capacity Peak Load Contribution is 600 kW or greater, “GS-P” whose PJM capacity Peak Load Contribution 600 kW or greater, and all Customers served under “GS-T”.

Type III Large Customer Service” is available from June 1, 2004 through May 31, 2005. Hourly Priced Service is available from June 1, 2004 through May 31, 2006. Refer to the “HPS” Rider for details.

On and after June 1, 2005, Customers may leave or return to Rider HPS, with proper advance notice, on their scheduled meter read date without penalty, subject to the Company’s Customer enrollment rules and tariffs.

Effective June 1, 2005, all Type III Large Customer Service Customers taking service under Rider SOS will automatically be switched to and served under Rider HPS.

## RIDER "SOS"

STANDARD OFFER SERVICE RIDER – (Continued)

## C. Monthly Rate

Customers receiving Standard Offer Service and Hourly Priced Service, as defined above, in the Rules and Regulations and under the applicable Service Classification, will pay the Delivery Service Charge, Transmission Service Charge and Supply Service Charge including all applicable taxes.

The Distribution, Transmission and Standard Offer Service Charges are stated in the Monthly Charges and Rates table for the Customer's applicable Service Classification. The Charges for Hourly Priced Service are defined under Rider HPS and stated in the Monthly Charges and Rates table for the Customer's applicable Service Classification.

The Standard Offer Service Rate for each Service Classification within each SOS Type, including any usage incurred under associated Riders, will include the following components:

1. The seasonally-differentiated and, if applicable, time-of-use differentiated load weighted average of all awarded electric supply prices for specific services in each year.
2. Retail charges designed to recover, on an aggregate basis, FERC-approved transmission charges and any other PJM charges and costs incurred by the Company.
3. An administrative charge (included in Supply Rates): Residential \$0.00400 per kWh; Type I \$0.00550 per kWh; Type II \$0.00600 per kWh
4. Applicable taxes.

## D. Procurement Cost Adjustment

In addition to the Standard Offer Service rates shown above, for Residential, and Type I, II, and III customers served under Standard Offer Service and Large Customer Service there will be a monthly SOS Procurement Cost Adjustment (PCA) shown as a separate line item on the Customer's bill. Refer to the HPS Rider for the Hourly Priced Service Procurement Cost Adjustment (HPS-PCA).

The PCA is a \$ per kilowatt-hour rate applied to the Customer's billed kilowatt-hours.

The PCA is an adjustment made in order to true-up the rates customers are billed to reflect the Company's actual costs of providing Standard Offer Service.

A true-up adjustment will be made to the PCA at least three (3) times per year- effective with the June, October and February billing months. These true-ups will revise the PCA based on actual and forecasted collections of SOS revenues by SOS Type and the actual and forecasted cost of providing Standard Offer Service.

The current applicable PCA rate by SOS type is available on the Company's website at [www.Conectiv.com](http://www.Conectiv.com).

## E. Publication of Standard Offer Service Rates

The Standard Offer Service Rates are shown under the Monthly Charges and Rates table of the tariff and are posted on the Company's website at [www.Conectiv.com](http://www.Conectiv.com).

## RIDER "HPS"

HOURLY PRICED SERVICE RIDER

Hourly Priced Service ("HPS") is the provision of electricity, ancillary, transmission and related services to Customers at rates based on the current market cost in the Company's Maryland service territory. Hourly Priced Service is available to any eligible Type III Customer served under Service Classifications: "LGS-S", "GS-P", "GS-T", or "NCR" subject to the conditions described below. The Administrative Credit does not apply to Customers served under Rider HPS.

When a Type III Customer purchasing from an Electricity Supplier, other than the Company, returns or is returned to the Company on or after June 1, 2005, it will be placed on Rider HPS.

Effective June 1, 2005, all Type III Customers served under Standard Offer Service will automatically be switched to Rider HPS.

All changes in Electricity Suppliers as described above must be made pursuant to the Company's enrollment rules and tariff provisions. Basically, the Customer must provide notice to the Company at least 17 days prior to the next meter reading date and all switches will become effective with the meter reading date.

The monthly Hourly Priced Service charge shall equal the actual cost of providing energy and capacity supply, transmission service, ancillary service, and any other cost element directly related to the Company's HPS load obligation, including an Administrative Charge and applicable taxes. The Company will determine an Hourly Priced Service Procurement Cost Adjustment ("HPS-PCA") which will reflect the difference between the actual cost of serving Customers under HPS, including any cost adjustments from the PJM Settlement system, and the amount billed to HPS Customers for the same time period. The Company will determine a HPS-PCA Rate by dividing the HPS-PCA amount by the total kilowatt-hour sales of the then current HPS Customers. The HPS-PCA Rate will be applied to each of the then current HPS Customer's sales to determine the credit/charge for the billing month.

At the conclusion of Hourly Priced Service, any HPS-PCA will be returned to, or collected from, all Type III Customers regardless of their energy supplier.

## RIDER "HPS"

HOURLY PRICED SERVICE RIDER – (Continued)

The Hourly Priced Service shall be the sum of the following billing components:

1. The Market Hourly Energy Charge shall be determined by multiplying the Customer's hourly load, adjusted for the applicable loss adjustment factor for the Customer's service voltage level, by the hourly integrated real time Locational Marginal Price ("LMP") for the DPL Zone, or its successor for retail load served in Delmarva's service territory, as determined and reported by the PJM Interconnection, LLC ("PJM"). An Administrative Charge of between \$0.00225 and \$0.00300 per kWh and applicable taxes shall be added to provide the Company a return component and reimbursement of actual incremental costs as provided for in paragraphs 79 and 82 of the Phase I Settlement in Maryland Case No. 8908. When a Customer's account does not have interval data, the Customer's Service Classification's load profile data will be used to develop the hourly use by Customer class that will be adjusted for losses. Using the hourly usage and the hourly LMP, or its successor, a Customer class average daily energy rate plus the above Administrative Charge per kWh will be developed which will be applied to the Customer's kWh usage for each day.
2. The Monthly Ancillary Charge shall be determined by multiplying the Customer's energy usage for the billing month, adjusted for losses, by the previous month's average cents per kWh ancillary service cost for HPS Customers in the DPL Zone as determined and reported by PJM.
3. The HPS Customer will be billed for the cost of capacity, determined by summing over each day during the Customer's billing period the Customer's Obligation in MW multiplied by the daily cost per MW of procuring capacity. The daily capacity procurement cost shall be in dollars per MW-day, based on capacity purchased to cover HPS shortages and any penalties or deficiency charges and broker fees accruing for the day of the calculation.
4. The Transmission Service Charge shall be as provided in the "Transmission Rate" and/or the "Transmission Demand Rate" components of the applicable Service Classification under which the Customer is receiving Delivery service.
5. The Hourly Priced Service Procurement Cost Adjustment (HPS-PCA) shall be applied to the HPS Customer's bill, when applicable, as stated above.

The market hourly Locational Marginal Prices used for the Hourly Priced Service are available on the PJM internet web site: [www.pjm.com](http://www.pjm.com) by following the links, "Quick Links" – "Real-Time LMP" – "Daily Real-Time LMP." In the event the Customer wishes to track or estimate its costs under this service, it is the Customer's responsibility to construct, operate and maintain, at its sole expense, all communications structures, equipment, and any other apparatus necessary to ensure its timely receipt of the market hourly energy prices and market daily capacity prices for the Customer's use in operating its facility.

RIDER "AC"

ADMINISTRATIVE CREDIT

This Rider is applicable to Customers served under Service Classifications and rate classes: "R", "R-TOU-ND", "SGS-S", "GS-SH", "GS-WH", "LGS-S", "GS-P", "OL", and "ORL", except for Customers that are classified as Type III and subject to Rider "HPS" – Hourly Priced Service. Customers served under these Service Classifications and rate classes will receive the applicable credit each month based on SOS type (i.e. Residential, Type I, and Type II). The purpose of this Rider is to return to all Customers receiving distribution delivery service, a portion of the SOS Administrative Charge revenues received from Customers served under Standard Offer Service Rider.

The credits paid to Customers under Rider "AC" will be calculated in accordance with Paragraphs 12(c), 31(b), 50 (b) and 68 (b) of the Phase I Settlement Agreement in Case No. 8908.

The credit, by SOS type, is a \$ per kilowatt-hour rate and is applied to the Customer's billed kilowatt-hours.

A true-up adjustment will be made to Rider "AC" at least three times per year – effective with the June, October and February billing months. These true-ups will revise the credits to Customers based on actual and forecasted collections of the Administrative Charge and payments of the Administrative Credit.

The current applicable Administrative Credit by SOS type is available on the Company's website at [www.Conectiv.com](http://www.Conectiv.com).

## RIDER "S"

STANDBY SERVICE

## A. Applicability

Applicable, except as noted below, when part or all of the Customer's electric or other power requirements, including all retail sales for station power, normally are supplied by its own power producing equipment, or on-site generation, that is operated in parallel with the Company's delivery system and standby electric service is required.

Applicable in conjunction with Service Classification Rate "X" and Rider "EP", when the qualifying cogenerator or power producer elects to sell electricity to the Company under the designated excess power provision of the tariff.

Not applicable to Customer's generators or sources of power where the Customer's needs would otherwise be provided under a service classification and whose self-generated power does not exceed 60 kilowatts.

Not applicable to Customers served under Rider "SWEGS", whose own needs would otherwise be provided under a residential or general service classification.

Not applicable to Customer having on-site generation on or before May 1, 2004, until the effective date of rates approved in the Company's next distribution rate case.

## B. Contract Term

All contracts for service under this Rider shall be effective for not less than one calendar year, with automatic year-to-year extensions until terminated. A contract for any initial period of more than (1) year may be required if special investment by the Company is necessary.

## C. Character of Service

The service supplied under this Rider will be Delivery Service of a type normally provided under the Company's standard retail rates for Customers with Electricity Suppliers and for Customers receiving service under the Company's combined Electric Supply & Delivery Service. Customers with Electricity Suppliers must receive all of their Supply, Ancillary and Transmission services from that supplier. For Customers receiving service under the Company's combined Electric Supply & Delivery Service, the Supply, Ancillary and Transmission services supplied under this Rider will be of a type normally provided under the Company's standard retail rate.

## D. Monthly Charges

1. Service Classification - A Customer receiving Standby Service from the Company will be billed under the applicable Service Classification: "R", "RTOU-ND", "ORL", "OL", "SGS-S", "LGS-S", "GS-P", or "GS-T". The applicable Service Classification will be determined based on the total electric usage and load of the Customer's premise regardless of the source of the supply, as well as the Availability provision under the Service Classification. The Customer, subject to the Company's enrollment rules and tariff provisions, may opt for the Company's combined Electric Supply & Delivery Service, or Delivery Service only, as defined under the Company's "Definition of Terms".

## RIDER "S"

STANDBY SERVICE – (Continued)

## D. Monthly Charges – (Continued)

2. Delivery Service Billing – The Distribution Charge under the Delivery Service Charges in the Monthly Charges and Rates will be applied to the electric usage and load of the premises including both the kilowatt-hours and kilowatts provided by the Customer's on-site generation, discounted by 20 percent, and the total kilowatt-hours and kilowatts provided by the Company or by an Electricity Supplier. When the Power Factor provision under the Customer's Service Classification is applicable, the power factor charge or credit will only be applied to the kilowatts delivered by the Company. In addition, the Environmental Surcharge and the Franchise Tax, and the applicable Deferred Purchase Power Rider for the Conowingo District Customers, will only be applied to the kilowatt-hours and kilowatts delivered by the Company.
3. Company's Combined Electric Supply & Delivery Service Billing – In addition to the Delivery Service Billing as stated above in paragraph D.2, the Transmission Service Charge, the Ancillary Service Charge and the Supply Service Charge in the Monthly Charges and Rates will be applied to the kilowatt-hours and kilowatts supplied by the Company to a Standard Offer Service Customer. For a Market Priced Supply Service Customer, the Transmission Service Charge and the Market Hourly Energy Charge will be based on the kilowatt-hours and kilowatts supplied by the Company, and the Capacity Charge and the Ancillary Service Charge will be based on the Customer's peak load contribution for capacity obligation, as defined and adjusted under the Market Priced Supply Service ("MPSS"). Any incremental expenses that the Company incurs for the supply of standby supply, transmission or ancillary services related to the Customer's generation will be applied to the monthly bill.

## E. Metering

The Customer will furnish and maintain, or, at the Customer's option, the Company will provide at the Customer's expense, Company-approved metering and communications equipment, necessary to allow the Company to monitor and meter the output of the Customer's on-site generation power sources, and to communicate this information to the Company and, as required, to the independent system operator. Any Customer-provided metering equipment will be subject to the terms of Section VIII of the Company's Rules and Regulations, and Rider "MMR" if applicable. If the Customer's own power producing equipment is non-electrical, the Customer must provide the Company with sufficient operating information and records to estimate contract standby electrical requirements.

## F. Parallel Operation

The Company is not liable for any loss, cost, damage or other expense to any party resulting from the use or presence of electric current or potential which originates from a Customer's generation facilities. Protective equipment shall be installed and maintained at the expense of the Customer, in accordance with specifications furnished by the Company. Such protective equipment will be required in any interconnected operation with a Customer. The Customer shall enter into an interconnection agreement with the Company (and with the independent system operator if applicable) covering the facility and operational requirements of parallel operation, including the Company's Technical Considerations Covering Parallel Operations of Customer Owned Generation ("Technical Requirements").

RIDER "S"

STANDBY SERVICE – (Continued)

G. Public Service Company Franchise Tax

In addition to the charges provided for under this Rider, the Maryland Public Service Company Franchise Tax shall apply to all kilowatt-hour sales delivered by the Company hereunder before the application of the Maryland Sales Tax, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern the provision of service under this Rider.

**RIDER "SOS PIC/DCA"**  
**SOS PHASE IN CREDIT / DEFERRED COST ADJUSTMENT RIDER**

**A. Availability**

The SOS Phase In Credit (PIC) and Deferred Cost Adjustment (DCA) are applicable to residential customers who affirmatively choose to receive the SOSPIC (“opt in”) during the designated opt in period between May 1, 2006 and May 26, 2006. Residential customers were be given an additional opportunity to opt in to the Phase-In Program from July 1, 2006, through July 15, 2006.

The DCA is intended to phase in, over the above noted period, the effect of the full SOS increases that became effective on June 1, 2006. However, the SOSPIC and DCA are available to any customers in the eligible classes, regardless of whether they are receiving SOS from the Company.

Customers taking service under this Rider shall be obligated to remain on this Rider through the entire Deferral and Recovery Periods specified in Paragraphs B and C, below. In the event that a Customer who has opted to be served under the terms of this Rider subsequently chooses to obtain Supply service from an Electricity Supplier during any part of the period specified in Paragraph B below, the terms of this Rider shall still apply for service provided by the Company during that period. The SOS Credit SC, however, shall apply to all Maryland Residential customers.

**B. SOS PIC Monthly Rate**

The SOS Phase In Credit is a cent per kilowatt-hour credit, as specified in the schedule below, applied to the customer’s monthly usage during the Deferral Period of June 1, 2006 through May 31, 2007.

<u>Service Classification</u>	<u>SOS Phase In Credit (\$/kWh)</u>		<u>Deferred Cost Adjustment (“DCA”) *</u>
	<u>Jun 1, 2006 – Feb 28, 2007</u>	<u>Mar 1, 2007 - May 31, 2007</u>	<u>Jun 1, 2007- Nov 30, 2008</u>
<b>R</b>			
Summer	\$(0.005581)	\$ -	\$0.010900
Winter	\$(0.027927)	\$(0.012581)	\$0.010900
<b>R-TOU-ND</b>			
Summer	\$(0.005804)	\$ -	\$0.011550
Winter	\$(0.028365)	\$(0.013547)	\$0.011550

\* Estimated based on forecasted average customer usage. DCA rate may be adjusted based on actual usage during the deferral period.

**C. Deferred Cost Adjustment (“DCA”)**

All amounts credited to Customers’ bills through the SOS Phase In Credit will be accumulated in a balancing account. After the end of the Deferral Period, the amount thus accumulated will then be returned to the Company in Deferral Cost Adjustment (DCA) charge over 18 months (Recovery Period). This charge will be added to Customers’ bills starting with monthly bills issued in June 2007. The net amount of the PIC credits and DCA charges will be tracked for each participating customer. If a final bill is rendered to an individual customer for any reason, during either the Deferral Period or the Recovery Period, this net amount will be due and payable, or credited as applicable, immediately in such final bill. However, if a participating customer terminates service and immediately re-establishes residential service within the Company’s Maryland service territory that Customer will be required to continue to participate in the Phase-In Program. At the end of the Recovery Period any aggregate over recovery or under recovery of the DCA amount will be credited or charged, as applicable, to participating residential electric customers over a 12 month period.

**D. SOS Credit (SC)**

The Company will provide to all of its Maryland Residential customers an additional one-time credit in Rider AC of \$0.001434 per kWh with bills rendered during the September 2006 billing month. This credit is intended to return to residential customers a total amount of \$306,762. Any over or under-refunding of this amount will be trued up as an adjustment to the Residential Administrative Credit Rider “AC” at the end of the Deferral Period.