



SPECIAL AD HOC COMMITTEE ON STANDARDS OF GOOD PRACTICE

REPORT TO THE

EXECUTIVE BOARD

OF THE

PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION

October 1, 2010

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SPECIAL AD HOC COMMITTEE ON STANDARDS OF GOOD PRACTICE

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SPECIAL AD HOC COMMITTEE ON STANDARDS OF GOOD PRACTICE

REPORT TO THE EXECUTIVE BOARD OF THE PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION

October 1, 2010

I. Introduction and Scope

The Pennsylvania Municipal Electric Association^{1/} (PMEA) Special Ad Hoc Committee on Standards of Good Practice (Committee) was established by the resolution of the PMEA members which was unanimously adopted at the PMEA Annual Meeting on October 2, 2009. A copy of the authorizing resolution of the PMEA members is attached as Exhibit No. 1. Under that authorizing resolution, the Committee was charged with the following tasks:

[1] to study standards of good operating practices (including surveying the members; researching best practices by municipal electric systems in other states and those recommended by the American Public Power Association; and researching practices required by Chapter 56 of the PA PUC regulations [Standards and Billing Practices for Residential Utility Service], as it deems appropriate), and

[2] to then prepare a report to the PMEA Executive Board with its recommendations on uniform best practices by Pennsylvania's municipal electric systems in those areas of operating practices as it deems appropriate, including but not limited to: billing and payment standards; deposits; service terminations; public information procedures and disputes and consumer complaints.

The Committee has completed its study, and the purpose of this report is to fulfill the responsibility of the Committee of presenting its results and recommendations to the PMEA Executive Board.

^{1/} PMEA is the trade association representing the 35 boroughs in Pennsylvania which own and operate electric distribution systems. These boroughs provide reliable, reasonably priced electric service to all citizens and businesses within their geographic territories. A list of those boroughs and additional information is available at the PMEA web site: <http://www.pmea-pa.org/index.htm>. Additional information on the nation's 2,000 community owned electric utilities, serving over 43 million Americans, may be found at the web site of our national organization, the American Public Power Association: www.appanet.org.

As also set forth in the October 2, 2009 members' resolution, the Executive Board was directed to proceed as follows:

RESOLVED, that, based on its consideration of the final Committee report, the Executive Board shall thereafter adopt recommended uniform standards of good practices and report those results to the members for their consideration and use.

Accordingly, the undersigned Committee Chairman hereby moves the adoption of the recommendations of this Report by the PMEA Executive Board.

II. Background

A. The Basis for Exemption from PA PUC Regulation

Since one of the key reasons for the adoption of uniform standards of good practices is to further assure the basis for the continuation of the exemptions from Pennsylvania Public Utility Commission (PA PUC) jurisdiction and regulation, it is appropriate to briefly address that subject here. Except where they choose to provide retail electric service outside of their corporate boundaries^{2/}, the 35 municipal electric distribution systems in Pennsylvania are generally exempt from the jurisdiction and control of the PA PUC.^{3/} Thus, the municipal electric systems in Pennsylvania are self-regulated in nature, with their rates and operating practices determined locally, subject to the direct control and regulation of the democratically elected borough council of each borough.

Like Pennsylvania's General Assembly, the great majority of other state legislatures have determined that it is unnecessary and inappropriate to place public power entities, such as borough-owned municipal electric systems, under the regulation of a state public service commission or other state regulatory agency. Only six states regulate the rates of municipal electric systems within the municipality.^{4/}

^{2/} That section of the PA Public Utility Code reads, "Only public utility service being furnished or rendered by a municipal corporation, or by the operating agencies of any municipal corporation, beyond its corporate limits, shall be subject to regulation and control by the commission as to rates, with the same force, and in like manner, as if such service were rendered by a public utility." (66 Pa.C.S.A. §1301).

^{3/} The municipal electric system exemption in the PA Public Utility Code is found in the definition of the key term "corporation" at section 102, which reads, "'Corporation.' All bodies corporate, joint-stock companies, or associations, domestic or foreign, their lessees, assignees, trustees, receivers, or other successors in interest, having any of the powers or privileges of corporations not possessed by individuals or partnerships, but shall not include municipal corporations, except as otherwise expressly provided in this part, nor bona fide cooperative associations which furnish service on a nonprofit basis only to their stockholders or members." (emphasis added) (66 Pa.C.S.A. §102).

The term "municipal corporation" is likewise defined at section 102, as follows, "'Municipal corporation.' All cities, boroughs, towns, townships, or counties of this Commonwealth, and also any public corporation, authority, or body whatsoever created or organized under any law of this Commonwealth for the purpose of rendering any service similar to that of a public utility." (66 Pa.C.S.A. §102).

^{4/} Full rate regulation by the state public service commission applies only in these states: Indiana; Maine; Maryland; Rhode Island; Vermont; and Wisconsin. Source: American Public Power Association, *Authority of State Commissions to Regulate Rates of Public Power Utilities*.

While the reasons for regulatory exemption of municipal electric systems are many, they can be summarized as follows:

A. As public power entities, municipal electric systems in PA are clearly distinguishable from the Commonwealth's regulated investor owned utilities (IOUs), because municipal electric systems are owned and controlled by the citizen consumers which they serve. Municipal electric systems are directly controlled by the elected Borough Council, and they are thus self-regulated by their consumers. This direct self-regulation by the electric consumers obviates the necessity of state government regulation.

B. Unlike regulated IOU's, municipal electric systems have no profit motive. A driving factor in the operation of municipal electric systems is the minimization of costs to the consumer, which is a very different driver than the regulated IOUs' need to maximize profits and returns to their stockholders. Therefore, as a matter of public policy, it is unnecessary for the PUC to be involved for the protection of municipal electric systems' consumers.

C. Since Pennsylvania's municipal electric systems are much smaller than IOUs^{5/}, any regulatory costs would impose a much higher per-capita burden on municipal electric systems' consumers.

D. In Pennsylvania and most other states, the legislatures have recognized the public policy differences between municipal electric systems and IOUs as industry participants, with regard to state regulation. Regulations that may be appropriate to protect IOU customers are often harmful to consumers served by borough-owned municipal electric systems. For example, IOU customers may not be harmed by regulatory policies that raise utility costs, as long as the costs are not recovered in rates. In that case, the IOU's stockholders have to absorb the costs. That approach however does not work for municipal electric systems. Because municipal electric systems are owned by their consumers and have no separate stockholders, all costs imposed on municipal electric systems are paid by retail consumers.

B. Reasons for the Adoption of Uniform Standards of Good Practices

As set forth in the October 2, 2009 PMEA members' resolution, since each municipal electric system in Pennsylvania establishes its own operating practices under the local regulation of its elected Borough Council, those practices and policies currently differ from borough to borough. While this situation has generally been satisfactory for a number of years, PMEA has become aware of some criticisms by members of the Pennsylvania Legislature of the operating practices of some of the municipal electric systems in the state. Indeed, in one situation, this was manifested by the introduction of legislation intended to subject all of the members of PMEA to

^{5/} One-third of Pennsylvania's borough-owned municipal electric systems have less than 1,000 consumers. The largest of the 35 boroughs has only 11,000 consumers. That compares to regulated IOUs in PA, which average over 509,000 consumers. (Source: PA PUC 2008 *Electric Power Outlook* report).

full regulation by the PA PUC.^{6/} Because of these developments, and also because the PMEA members recognize that benefits may be realized through the development of recommended uniform standards of good operating practices, this process was initiated. The principal benefits being sought by the adoption of uniform standards of good practices include:

- (i) promoting a higher degree of electric consumer satisfaction among the PA municipal electric systems;
- (ii) creation of beneficial benchmarking for the member systems; and
- (iii) further assuring the basis for the continuation of the exemptions from PA PUC jurisdiction and other state regulation, by demonstrable uniform self-regulation using industry best practices.

Thus, this report is intended as the first step to achieve these benefits, through a proactive approach of self-examination.

III. Committee Process

As directed by the October 2, 2009 PMEA members' resolution, the Committee, along with counsel to PMEA, began the project work with research into materials of the American Public Power Association (APPA), and a review of similar undertakings by municipal electric systems and associations in other states. While APPA has best practices literature, that material was more focused on key account management, green energy marketing, energy conservation, and the like. Likewise, the review of other states' materials did not produce anything particularly applicable to the areas to be addressed by the Committee.

As next steps, the Committee studied: various electric utility tariffs, particularly the tariffs of the smaller IOUs operating in Pennsylvania; the pertinent provisions of PA Public Utility Code^{7/}; and the related PA PUC's Chapter 56 regulations (Standards and Billing Practices for Residential Utility Service)^{8/}. These are the regulations which investor owned utilities in Pennsylvania are required to follow, covering all areas of billing and payment standards; deposits; service terminations; public information procedures and disputes and consumer complaints. This body of state requirements is clearly the universally accepted standard of utility practices and procedures within Pennsylvania, and some of the differences between the practices of the individual PMEA member systems and these Chapter 56 regulations have been the subject of some of the criticisms of the current policies of our members.

Thus, while many of the requirements set forth in Chapter 56 would not be applicable to the municipal electric system situation (e.g. reporting requirements to the PA PUC, complaints, etc.),

^{6/} House Bill 1474, introduced by Rep. Solobay and referred to the House Consumer Affairs Committee May 8, 2009 link:<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2009&sessInd=0&billBody=H&billTyp=B&billNbr=1474&pn=1826>

^{7/} 66 Pa.C.S.A. § 101 *et seq.*, with a principal focus on 66 Pa.C.S.A. Chapter 14, "Responsible Utility Customer Protection"

^{8/} 52 Pa. Code § 56.1 *et seq.*

the Committee believes that voluntary adoption of some of the key Chapter 56 mandates for investor owned utilities is the appropriate course in this establishment of recommended standards of good practice. In conjunction with this review of Chapter 56, discussions were also undertaken with the PA PUC Law Bureau.

Following this analysis, the Committee undertook the preparation of a draft uniform municipal electric system tariff in the form of a proposed Borough Ordinance Adopting Standardized Service Rules, which is attached to this report as Exhibit No. 2.

IV. Recommendations

With the completion of the proposed uniform standards tariff document, and on the basis of the forgoing, the Committee makes the following recommendations to the PMEA Executive Board:

1. The Committee recommends that the PMEA Executive Board adopt Exhibit No. 2 of this Report as PMEA's recommended uniform standards of good practices.
2. The Committee recommends that the PMEA Executive Board direct that this Report shall be provided by PMEA to all municipal electric systems in Pennsylvania for their consideration and use, with the PMEA Executive Board recommendation that the respective Borough Council of each of the municipal electric systems in Pennsylvania should enact the Exhibit No. 2 Ordinance.
3. The Committee recommends that the PMEA Executive Board take action to convert this Special Ad Hoc Committee on Standards of Good Practice into a standing committee of the PMEA Executive Board, with the continuing responsibilities of coordination with the membership with regard to the implementation of this Report; and the periodic review and updating of this Report.

V. Conclusion

The Committee believes that the adoption by the municipal electric systems in Pennsylvania of the recommended uniform standards set forth in the tariff provisions of Exhibit No. 2 will serve to achieve the benefits discussed above in section II.B. of this Report. We would be pleased to answer any questions by members of the Executive Board, and to perform any follow up tasks as may be directed.

Respectfully submitted,

Jeffrey Stonehill, Chairman
PMEA Special Ad Hoc Committee on
Standards of Good Practice

Borough Manager, Chambersburg

Exhibit No.1:

**PMEA October 2, 2009 RESOLUTION OF THE MEMBERS ESTABLISHING
SPECIAL AD HOC COMMITTEE ON STANDARDS OF GOOD PRACTICE**



PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION

**RESOLUTION OF THE MEMBERS
ESTABLISHING SPECIAL AD HOC COMMITTEE ON
STANDARDS OF GOOD PRACTICE**

WHEREAS, the borough owned and operated electric systems in Pennsylvania are each autonomous, and each is subject to the regulation of its respective elected Borough Council with respect to electric rates and operating practices; and

WHEREAS, because of the self-regulation of the borough owned and operated electric systems, Pennsylvania's General Assembly, like the great majority of other state legislatures, has determined that it is unnecessary and inappropriate to place such public power entities under the jurisdiction of the Pennsylvania Public Utility Commission (PA PUC); and

WHEREAS, the main reasons for state regulatory exemption of municipal electric systems can be summarized as follows:

A. As public power entities, municipal electric systems in PA are clearly distinguishable from the Commonwealth's regulated investor owned utilities (IOUs), because municipal electric systems are owned and controlled by the citizen consumers which they serve. Municipal electric systems are directly controlled by the elected Borough Council, and they are thus self-regulated by their consumers. This direct self-regulation by the electric consumers obviates the necessity of any state government regulation.

B. Unlike regulated IOU's, municipal electric systems have no profit motive. A driving factor in the operation of municipal electric systems is the minimization of costs to the consumer, which distinguishes them from the regulated IOUs' need to maximize profits and returns to their stockholders. Therefore, as a matter of public policy, it is unnecessary for the PA PUC to be involved for the protection of municipal electric systems' consumers.

C. Since Pennsylvania's municipal electric systems are much smaller than IOUs, any state regulatory costs would impose a much higher per-capita burden on municipal electric systems' consumers.

D. Regulations that may be appropriate to protect IOU customers are often harmful to consumers served by borough-owned municipal electric systems. IOU customers may not be harmed by

regulatory policies that raise utility costs, as long as the costs are not recovered in rates, since the IOU's stockholders have to absorb the costs. That approach however does not work for municipal electric systems. Because municipal electric systems are owned by their consumers and have no separate stockholders, all regulatory costs imposed on municipal electric systems are paid by retail consumers.

WHEREAS, since each PA municipal electric system establishes its own operating practices under the local regulation of its elected Borough Council, those practices and policies currently differ from borough to borough; and

WHEREAS, the members of PMEA recognize that benefits may be realized through the development of recommended uniform standards of good operating practices, including promoting a higher degree of electric consumer satisfaction among the PA municipal electric systems; creation of beneficial benchmarking for the member systems; and further assuring the basis for the continuation of the exemptions from PA PUC jurisdiction and other state regulation, by demonstrable uniform self-regulation using industry best practices.

NOW THEREFORE BE IT:

RESOLVED, that the member systems of PMEA hereby establish the PMEA Special Ad Hoc Committee on Standards of Good Practice (Committee), and authorizes the President to appoint its chairman and members from among Pennsylvania's municipal electric systems; and be it further

RESOLVED, that the Committee is directed to meet promptly [1] to study standards of good operating practices (including surveying the members; researching best practices by municipal electric systems in other states and those recommended by the American Public Power Association; and researching practices required by Chapter 56 of the PA PUC regulations [Standards and Billing Practices for Residential Utility Service], as it deems appropriate), and [2] to then prepare a report to the PMEA Executive Board with its recommendations on uniform best practices by Pennsylvania's municipal electric systems in those areas of operating practices as it deems appropriate, including but not limited to: billing and payment standards; deposits; service terminations; public information procedures and disputes and consumer complaints; and be it further

RESOLVED, that, based on its consideration of the final Committee report, the Executive Board shall thereafter adopt recommended uniform standards of good practices and report those results to the members for their consideration and use.

I, _____, the duly elected Secretary of Pennsylvania Municipal Electric Association, hereby certify that the above resolution of its member borough representatives was duly approved and enacted at a meeting of the member held on October 2, 2009, at which a quorum was present and voting.

By: _____
Secretary

Exhibit No. 2:

Proposed Borough Ordinance Adopting Standardized Service Rules

ORDINANCE NO. _____
FOR THE YEAR _____

AN ORDINANCE AMENDING OR CREATING CHAPTER _____, ELECTRIC SERVICE RULES AND REGULATIONS, OF THE CODE OF THE BOROUGH OF _____ IN ORDER TO PROVIDE A COMPREHENSIVE SERVICE TARIFF STANDARDIZED WITH THE OTHER MUNICIPAL ELECTRIC SYSTEMS IN PENNSYLVANIA WHICH HAVE ADOPTED SIMILAR ELECTRIC SERVICE RULES AND REGULATIONS

[NOTE: The fee amounts and labor rates set forth in these Electric Service Rules and Regulations are only intended as examples, which are based upon IOU tariffs. Each borough should set its own particular amounts, based upon its own evaluation and requirements. (This explanatory paragraph should be removed from the final Ordinance.)]

Chapter ___ : ELECTRIC SERVICE RULES AND REGULATIONS

§ X-1. Title and Purpose.

- A. This chapter shall be known and may be cited as the “Electric Service Rules and Regulations.”
- B. The purpose of this chapter is to establish rules for determining terms, and conditions governing the purchase of electric service by Customers. These rules are intended to establish a tariff by which formally adopted policies and administrative rules are collected and maintained in a format that provides easy access for the public. It is the Borough Council's intent that these service rules and regulations shall, as and where indicated herein, generally conform to selected applicable rules and regulations of the Pennsylvania Public Utility Commission, but are expressly adopted independent of that agency and are not subject to rule making, tariff approval or other regulatory pronouncements, actions or processes of that agency, which under the Pennsylvania Public Utility Code does not have jurisdiction or control over municipal corporations, including the Company, the Borough or the Council (66 Pa.C.S.A. §102). All references throughout these Electric Service Rules and Regulations to the Pennsylvania Public Utility Code or to the regulations of the Pennsylvania Public Utility Commission are intended only as voluntary guidelines where applicable, and shall not in any way be interpreted as submitting the Company, the Borough or the Council to the jurisdiction or control of the Pennsylvania Public Utility Commission in any respect. Notwithstanding any references throughout these Electric Service Rules and Regulations to the Pennsylvania Public Utility Code or to the regulations of the Pennsylvania Public Utility Commission, the Council shall remain the sole regulator of the Company in all respects.
- C. These Electric Service Rules and Regulations are consistent with applicable provisions of state and federal law.
- D. These Electric Service Rules and Regulations do not preclude the Borough of _____ from using best management practices to insure the fair and equitable access to electric service

and recovery of Customer costs. These Electric Service Rules and Regulations may be amended at any time, and from time to time, by the Council.

- E. Interpretation of this service Ordinance as to its intent and applicability will be made by the Company in its sole discretion, subject to review of the Borough Council.
- F. This service Ordinance shall supersede and repeal any prior enactment of the Borough Council , and prior rules of the Company, which are inconsistent herewith.

§ X-2. Definitions.

- A. "Company": The Electric Department of the Borough of _____.
- B. "Customer": Any corporation, municipality, governmental agencies, person or partnership to whom the Company may furnish service. Each individual domestic establishment, single family residence or apartment shall be a Customer.
- C. "Council": The Borough Council of the Borough of _____.
- D. "Service": Any electricity which the Company may supply or make provision to supply, or any work or material furnished or any obligation performed by the Company hereunder or under any rate Ordinance adopted by the Company.
- E. "Service Point": The point of connection between the electric lines of the Company and the electric system of the Customer.
- F. "Month": The period between two monthly meter readings, taken as nearly as practicable on the same date each calendar month as selected by the Company.
- G. "Capacity Required": The maximum rate of use of energy by the Customer during a stated time interval, expressed in kw, kilowatts; 1,000 watts.
- H. "Energy Required": The use of energy by the Customer, expressed in kwh kilowatt hours; the use of 1,000 watts for one hour.
- I. "Rate Ordinance(s)": A rate which may be obtained by a Customer if his use of service conforms to the character of supply contemplated in the rate, and his location is such that this service can be supplied from existing facilities of the Company.

§ X-3. Characteristics of Service Supplied.

- A. The Company will furnish only alternating current at available Company standard voltages:
SINGLE-PHASE
120 volts, 2 wire
120/240 volts, 3 wire
240 volts, 2 wire
THREE-PHASE
120/208 volts, 4 wire
240 volts, 3 wire

277/480 volts, 4 wire
480 volts, 3 wire
2,400 volts, 3 wire
7,200/12,470 volts, 4 wire

- B. Electric service shall not be submetered or resold by the Customer except as provided in wholesale or net metering rate Ordinances or upon written consent of the Company.
- C. The rates as adopted by the Council are based on the cost of providing service overhead. Underground service will be supplied in accordance with the common practice and any Company regulations consistent therewith. In situations not covered by such Rules, Customers may secure underground service by paying the estimated difference in cost between overhead and underground service.
- D. The Company will undertake to furnish service to a building or a group of buildings of the Customer for use only in or on the premises owned, leased to, occupied, or managed by the Customer. Each such building or separate unit will be metered separately and considered a separate service. Adjoining buildings or groups of buildings located on a single or contiguous land parcel may receive service through a single meter provided Customer furnishes the necessary electrical interconnection among the buildings or units and said buildings or units are used and operated by the Customer and held out to the public as one single business unit. Any intervening fee ownership will act to break the contiguity of a land parcel. However, master metering to new multi-family dwelling units is prohibited. See "Submetering."

§ X-3. Application for Service.

- A. The Company reserves the right to require the applicant, before any electricity is delivered, to execute an application of "Electric Service Agreement." Whether or not a written application or agreement is executed, the applicant, by accepting the electricity, agrees to be bound by the applicable rate Ordinance and these terms and conditions as amended from time to time. Failure to make application will make new Customers liable for all services supplied since the last meter reading by which the previous Customer on the same premises was billed. No promises, agreements, or representation of any agent or employee of the Company constituting a departure from this Chapter shall be binding unless incorporated in a written contract signed by the Company and the Customer.
- B. The Company may require an Applicant or Customer to verify the identity of each adult occupant of the residential property, to establish creditworthiness and/or to pay a deposit, generally in accordance with the applicable provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service," and/or 66 Pa. C.S. Chapter 14, "Responsible Utility Customer Protection." All determinations of the applicability of such standards shall be made by the Company in its sole discretion.
- C. Any Customer who is about to vacate any premises supplied with Company service or who for any reason wishes to have service discontinued shall give at least 7 days' notice to the Company, specifying the date on which it is desired that service be discontinued. In the absence of such notice, the Customer shall be responsible for all service rendered.

D. Requirements for Service:

(1) Customers should directly, or through an electrical contractor, communicate with Company preferably in writing for the purpose of giving exact location of premises and details of all current-consuming devices which are to be installed. Company will thereupon designate point of delivery at which its service line will terminate. At or near that location Customer must provide, without expense to Company, a suitable place for the installation of metering and all necessary transforming equipment and supplementary apparatus incident to fulfillment of contract.

(2) The wiring on the premises for connection to service line shall be brought outside the building wall at a location designated by the Company and in such a manner that it will be easily accessible for attachment.

(3) All wiring shall be installed and maintained in accordance with provisions of the latest edition of the National Electrical Code. The Company shall not be obligated to connect or remain connected with any Customer's wiring or facilities unless and until a certificate of compliance has been issued by a recognized inspection service. This covers new buildings and modifications involving a wiring change.

(4) Customer's service and meter connections shall be installed in accordance with instructions of Company and shall be subject to Company's inspection and approval. However, the Customer assumes full responsibility for the energy at and from the point of delivery thereof, and for the wires, apparatus, devices and appurtenances thereon used in connection with the service.

(5) Company will run only one service lateral to a Customer's premises or install only one meter for each class of service to be supplied except where, in its judgment, special conditions may make more than one necessary. Service laterals normally will not be run from building to building. If special conditions warrant it, an exception may be made at Company's option.

(6) Service connections will not be made until the wiring on the premises is actually in progress or completed.

(7) Company will furnish, install and maintain the necessary meters, transformers and service line for secondary service requiring only a single span of wiring extending from its facilities to point of supply connections. All equipment supplied by Company shall remain its exclusive property and may be removed after termination of service from whatever cause.

(8) Customer shall own, maintain and operate all substation and transforming equipment where voltage, phase or frequency of the supply is different from that specified in the applicable rate Ordinance. Also, Customer shall bear the cost of special installation that may be necessary to meet a particular requirement for service at other than standard voltages or if closer than allowable voltage and frequency variation is desired.

(9) Where energy is desired at 2400 volts or higher, Company will extend its facilities to Customer's service connection as provided herein. Except the conditions for which provision may be made in a particular rate Ordinance, all other wiring, with the exception of meters, shall be installed and maintained by Customer.

(10) In the event Company may be required to place underground any portion of its mains, wires

or services or relocate any pole or feeders, the Customer at his own expense shall change the location of delivery point to that readily accessible to the new location

- E. All fees or other charges required to be paid in connection with the issuance of inspection certificates shall be borne by the applicant. Where there is no such local inspection authority, the Company may require the delivery by the applicant to the Company of an agreement duly signed by the owner and tenant of the premises authorizing the connection of the wiring on the premises to the Company's conductors and assuming all liability and risk which may result therefrom. Regardless of whether such an agreement is executed, the applicant by accepting electricity assumes all such liability and risk.
- F. Any changes in, or additions to, the original wiring, equipment or appliances of an applicant or Customer should be installed in compliance with the requirements of the National Board of Fire Underwriters and such other requirements as may be fixed by the inspection authority having jurisdiction.
- G. In no event shall the Company be under any obligation to inspect the wiring equipment or appliances of an applicant or Customer.

§ X-4. Service Limitations.

- A. Single-phase service for lighting will not be supplied where the connected load to be served exceeds 25 KVA of capacity unless previous arrangements have been made with Company. Customer must arrange the wiring of loads in excess of this amount to receive polyphase service.
- B. Customer shall at all times take and use energy in such a manner that it will be taken equally between phases. Should this not be possible, and the unbalancing equals, or exceeds 10% of the lesser phase, then the charge therefore shall be computed on the assumption that the energy taken from each phase is equal to the amount taken from the greater phase.

§ X-5. Service Connections.

- A. The Company will make application for permits and acquire the easements necessary to build its supply facilities to the property occupied by the applicant or Customer and the applicant or Customer will apply for, obtain, and deliver to the company all other permits or certificates necessary to give the Company the right to connect its conductors to the applicant's or Customer's wiring and access for all other proper purposes, including an easement from the land owner for the Company's facilities. The Company shall not be required to supply electricity until a reasonable time has elapsed after the Company has obtained or received all necessary permits, certificates and easements.

With respect to the item "Right-of-Way" the Company shall not be required to build line extensions over private right-of-way in the event that such construction involves the Company making payment for right-of-way easements or tree trimming rights.

- B. Should any change or changes in the service connection furnished the Customer by the Company be made necessary by any requirement of public authority, the entire cost of such changes on the Customer's side of the delivery point shall be borne by the Customer.

- C. Normally the Company will supply and meter at one delivery point electricity of the characteristics desired by the Customer at the delivery point.
- D. Whenever a Customer requests the Company to supply electricity through not more than two banks of transformers for the purpose of separating different types of load and the Company finds it practicable, such electricity will be supplied if all transformers and service equipment incidental thereto are installed in a place and manner satisfactory to the Company, and the electricity is metered on the Company's side of the transformers.
- E. Whenever a Customer requests the Company to supply electricity to a single premises in a manner which requires equipment and facilities over and above those which the Company would normally provide, and the Company finds it practicable, such additional equipment and facilities will be provided for a monthly facility charge equal to three percent (3%) or the additional cost. This facility charge will be in addition to and independent of any other provisions of the rules and regulations or rate Ordinances. Should additional or replacement facilities be required at a future date to serve the Customer, then the monthly facilities charge shall be increased or decreased proportionately and the agreement amended accordingly.

§ X-6. Location of Company Equipment.

- A. The Customer shall furnish the Company, without cost, satisfactory right-of-way and suitable location and housing for equipment, on his premises, for the Company's facilities required to provide the Customer with service.
- B. The Company shall have the right to place its transformers and such other apparatus as may be needed in connection with supplying such electricity at a convenient point or points on the property or in the building or buildings of the Customer.
- C. The Customer shall provide suitable space for the installation of the necessary metering apparatus which space shall be:
 - (1) Substantially free from vibration and dust; and if practicable, at any outside location,
 - (2) Readily accessible and convenient for reading, testing and servicing, and
 - (3) Such that apparatus will be protected from injury by the elements or the negligent or deliberate acts of persons.
- D. All service equipment furnished and installed by the Company shall be and remain the property of the Company.
- E. Interference or tampering with Company's meters or other facilities or any act preventing the proper registration of service is prohibited and the Customer by reason of his control of the premises shall pay for all damages caused by violation of this rule. Furthermore, if incorrect metering is caused by such violation, the Customer shall pay an amount estimated by the Company to cover service not properly recorded.

§ X-7. Access to Customer Premises.

The Company shall have free access at a reasonable hour to Customer's premises for such purposes as may be proper and necessary in connection with supplying service.

§ X-8. Deposits for Service.

- A. When in the judgment of the Company, it is necessary to secure payment for service any Customer may be required to leave a deposit with the Company amounting to the estimated bill for service to be supplied in any two consecutive months. The Company, may at any time, require that the deposit be increased to conform to actual bill of the Customer for any two month period, and the deposit will be reduced, on request of the Customer, to maximum billing for any two month period during the preceding twelve months.
- B. The Company will allow simple interest on cash deposits. For residential Customers, the interest calculation will generally comply with the applicable provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service," and/or 66 Pa. C.S. Chapter 14, "Responsible Utility Customer Protection." All determinations of the applicability of such standards shall be made by the Company in its sole discretion.
- C. Deposits shall be returned to residential Customers after the earlier of 24 months or when undisputed bills have been paid over a period of 12 consecutive months without service having been terminated and without having paid bills after the due date, so long as the Customer is not currently delinquent or when other guarantees satisfactory to the Company are offered. Deposits of other classes of Customers are subject to return, prior to discontinuance of service, solely at the option of the Company.
- D. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).
- E. When a residential Customer or a residence is involved, the Company will generally comply with the applicable provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service," and/or 66 Pa. C.S. Chapter 14, "Responsible Utility Customer Protection." All determinations of the applicability of such standards shall be made by the Company in its sole discretion.
- F. The payment of any undisputed bill shall be due within thirty days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the Customer and payment made by the Customer within ten (10) days thereafter.

§ X-9. Selection of Rate.

- A. Whenever there is a choice of rates, the choice lies with the Customer. Each rate sets forth the conditions under which it applies. The full and active assistance of the Company is freely offered and, on request, will be given to the Customer in order to determine which rate is then the most favorable to the Customer.

- B. An investigation will be made by the Company, if and when the Customer notifies the Company of changes in his connected load, capacity required, operating conditions, or other factors which may affect the selection of the rate, and the Customer will be assisted in determining whether a change in rate is then advisable.
- C. The Company cannot guarantee that the Customer will be served under the most favorable applicable rate, and no refund will be made by the Company to the Customer representing the difference in the charge made under the Ordinance applied and that which would have been made if a more favorable applicable rate had been chosen and applied.

§ X-10. Customer Installation and Responsibility.

- A. It is necessary for the protection of the Customer that all work, wiring and apparatus should be installed and maintained by an experienced, licensed electrician in a safe manner.
- B. The Customer, in accepting service from the Company, assumes full responsibility for the safety and efficiency of the wiring and apparatus installed by the Customer. The Customer agrees to indemnify and save the Company harmless against any liability that may arise as the result of the use of service supplied to the Customer by the Company.
- C. The Customer, shall not operate any apparatus creating a condition which prevents the Company from supplying satisfactory service to the Customer or to other Customers. The Company reserves the right to place restrictions on the type and manner of use of all Customers' electrical equipment connected to Company's lines, especially prohibiting any loads of highly fluctuating or low power factor character.

§ X-11. Metering and Billing.

- A. Where service is rendered under rate Ordinance provisions which do not require monthly demand measurements, meters may be read and bills rendered either monthly or bimonthly at the Company's option. When bills are rendered bimonthly, the minimum bill and the number of kilowatt hours included in each energy block of the rate shall be twice the amount specified for monthly billing. When the use of electricity averages over 2,000 kilowatt hours per month and the Customer does not participate in the Uniform Monthly Payment Plan or the Average Payment Plan as may be provided in certain rates, monthly billing will be used if requested by the Customer.
- B. All electricity sold by the Company shall be on the basis of meter measurement, except for installations where the usage is constant and the consumption may readily be computed, or as provided for in its filed rates.
- C. When meters are installed by the Company to measure the electricity used by its Customer, all charges for electricity used, except certain minimum charges, shall be calculated from the readings of such meters.
- D. Bills shall be rendered, as nearly as practicable, for thirty (30) day periods when monthly, and sixty (60) day periods when bimonthly. However, bills for less than twenty-five (25) days or more than thirty-five (35) days for monthly billing, and bills for less than fifty (50) days or more than seventy (70) days for bimonthly billing shall be prorated on the basis of the ratio of the

number of days in the period to the number of days included in the standard period, which will be taken at thirty (30) days for monthly billing and sixty (60) days for bimonthly billing. Bills shall be due on the date rendered. In case of any dispute at the date of rendering the postmark shall control.

- E. Bills for special or short term service, including charges for connection and disconnection, may be rendered at any time at the discretion of the Company, and will be payable upon presentation.
- F. If service is supplied to the Customer before a meter is placed in use or while the metering is defective, the Customer will pay for service on a basis estimated from a period of similar use.
- G. When an investigation discloses excessive bills due to an accidental ground on Customer's wiring or equipment, occurring without the knowledge of the Customer, an allowance for a share of such wastage will be made by the Company in its sole discretion.
- H. An Average Payment Plan (APP) is offered as a convenience to qualified Customers who request this payment option. The plan is an alternative payment option. Participation in the APP does not affect the calculation of charges applied to the Customer's account nor the Customer's ultimate responsibility to pay for all billings rendered. To qualify, a Customer must be served under residential rate Ordinance, as adopted. At the Company's option, small-non-profit organizations served under commercial rate may also qualify for this payment option. New Customers may be required to pay their initial regular billing in full to be eligible for the APP. Current Customers may be required to have their account balance paid in full to be eligible for the APP. Under the APP a Customer's monthly payment amount will be calculated based on 1/12 of the last 12 months usage and priced to include the current approved base rates, average fuel and purchased power adjustment rates and any other applicable charges. The average usage and APP payment amount will be recomputed with each metered billing. When a Customer does not have 12 months billing history, the Company may, at their discretion, estimate the Customer's projected annual usage. Any difference that accumulates between the calculated APP payments and the actual charges for a 12 month period will be amortized over the next 12 month period. At any time, the Company may adjust the APP payment amount to prevent an excessive accumulated difference. APP payments are due 20 days from the billing date. If an APP Customer is delinquent with 2 consecutive APP payments, the Company shall have the option of terminating the Customer's participation in the plan. When a Customer's account is closed and a final bill is rendered, the total account balance will become due in 20 days. The Company reserves the right to restrict the enrollment period to any thirty (30) day window per year. The Company may market the APP service under a variety of names including "Budget Billing."

§ X-12. Use of Electricity.

- A. The Council shall be the sole retail electric regulatory authority for the Borough of _____ and all its retail electric consumers.
- B. The Company is the sole entity permitted to aggregate retail Customers' power needs and demand response.
- C. The Borough Manager, as General Manager, of the Company, is authorized to adopt any necessary regulations to implement this Ordinance.

- D. No other power supply shall be connected with Company's facilities, except by written consent of the Company.
- E. Except as may be otherwise determined and approved by Council, the Company shall be the sole electric service and distribution utility within the corporate limits of the Municipality.
- F. Because the Company's facilities used in supplying electricity to the Customer have a definite limited capacity and can be damaged by overloads, the Customer shall give adequate notice to the Company and obtain the Company's written consent before making any substantial change in the amount or use of the load connected to the Company's service.
- G. The Customer shall not use electricity in any manner which will be detrimental to the Company's supply of electricity to other Customers. The Company reserves the right, but shall have no duty, to determine the suitability of apparatus or appliances to be connected to its service by the Customer, and to refuse to continue to supply electricity if it shall determine that the operation of such apparatus or appliances may be detrimental to its general supply of electricity.

§ X-13. Interruption to Service Supplied by the Company.

- A. The Company will use reasonable diligence in providing regular and uninterrupted service, but the Company shall not be liable for any loss, cost, damage or expense to any Customer or third party occasioned by any failure to supply electricity for any reason whatsoever.
- B. The Company may, without liability therefore, interrupt or limit service to any or all Customers whenever in the sole judgment of the Company such action is indicated in order to prevent or limit any actual or threatened instability or disturbance on the electric system of the Company of any electric system interconnected with the Company.

§ X-14. Payments.

- A. The supply of electricity by the Company is contingent upon payment of all charges due from the Customer. The Company will render bills to the Customer at regular intervals. Bills are due upon presentation and become past due after the net payment period provided in the rate Ordinance. Bills are payable at any office of the Company or to any collector or collection agency duly authorized by the Company, except that, when a disconnection notice for nonpayment has been sent to the Customer, payment must be made at a Company office. Failure to receive a bill does not excuse the Customer from payment obligations and payments shall be due and payable as provided herein without regard to any counterclaim whatsoever.
- B. The Company reserves the right to apply any bill payments made by the Customer in whole or in part to any account due to the Company by the Customer.

§ X-15. Discontinuance of Service.

Agreements are not transferable without the Company's consent. Whether or not there is a written agreement, upon Customer's discontinuance of service, Customer shall remain responsible until the Company receives notice in writing of discontinuance for any service supplied to the premises formerly occupied by the Customer, and shall remain responsible for minimum charges and/or other obligations contracted for.

§ X-16. WAIVERS

The company may at any time petition the Council for a temporary or permanent waiver of any of the Electric Service Rules and Regulations, either in an individual circumstance, or generally. The Council shall remain the sole regulator of the Company in all respects, with the power in its sole discretion to grant a waiver or waivers of the Electric Service Rules and Regulations, either upon request of the Company or otherwise.

§ X-17. TERMINATION OF SERVICE

17.1 TERMINATION OF SERVICE FOR NON-RESIDENTIAL CUSTOMERS:

Customers are required to notify the Company, to prevent liability for service used by succeeding tenants, when vacating their premises. Upon receipt of such notice the Company will read the meter and further liability for service used on the part of the vacating customer will cease.

17.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS

(A) Grounds for Authorized Termination of Service

Following the notice requirements set forth in subparagraph 17.3(A), the Company's service to any dwelling may be terminated for any of the following actions of the residential customer:

- (1) Nonpayment of an undisputed delinquent account.
- (2) Failure to complete payment of a deposit, provide a guarantee or establish credit worthiness.
- (3) Failure to permit access to meters, service connections and other property of the Company at all reasonable times, for the purpose of replacement, maintenance, repair or meter reading.
- (4) Failure to comply with the material terms of a payment agreement.
- (5) Tendering payment that is subsequently dishonored under 13 PA. C.S. Section 3502 or tendering payment with an access device, as defined in 18 PA. C.S. Section 4106(D), which is unauthorized, revoked, or canceled.

(B) Grounds for Immediate Termination of Service

The Company's service may be immediately terminated without notice for any of the following actions of the residential customer:

- (1) Unauthorized use of the Company's service delivered on or about the affected dwelling.
- (2) Fraud or material misrepresentation of identity for the purpose of obtaining Company service.
- (3) Tampering with meters or other Company equipment.
- (4) Violating any tariff provisions, so as to endanger the safety of any person or the integrity of the Company's energy delivery system.
- (5) Pursuant to the terms of an agreement, or by mutual consent.

(C) Conditions for Not Terminating Service

- (1) Evidence is present which indicates that payment has been made.
- (2) A serious illness or medical condition exists at the premises.
- (3) A dispute or complaint is properly pending.
- (4) The employee is authorized to receive payment and payment in full is tendered in any reasonable manner.

(D) Days Termination of Service is Prohibited

Except in emergencies or terminations under Section 17.2(B), service shall not be terminated during the following periods:

- (1) On Saturday or Sunday.
- (2) On a bank holiday or on the day preceding a bank holiday.
- (3) On a holiday observed by the Company or on the day preceding such holiday. A holiday observed by the Company shall mean any day on which the business office of the Company is closed to observe a legal holiday, to attend Company meetings or functions, or for any other reason.

(E) Winter Terminations

Unless otherwise authorized by the Council, after November 30 and before April 1 ("winter period"), the Company shall not terminate service to residential customers with household incomes at or below 250% of the Federal Poverty Level, except for termination in accordance with Section 17.2(B) above. The Company may terminate service during the winter period to residential customers with household incomes exceeding 250% of the Federal Poverty Level.

(F) Unauthorized Termination of Service

Unless expressly and specifically authorized by the Council, service shall not be terminated nor will a termination notice be sent, for any of the following reasons:

- (1) Nonpayment for concurrent service of the same class received at a separate metering point.
- (2) Nonpayment for a different class of service received at the same or a different location. Service may be terminated however, when, under the Company's tariff, a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.
- (3) Nonpayment, in whole or in part: for leased or purchased merchandise, appliances, or special services, including but not necessarily limited to merchandise and appliance installation fees, rental, and repair costs; of meter testing fees; of special construction charges; and of other non-recurring charges that are not essential to delivery or metering of service.
- (4) Nonpayment of bills for delinquent accounts of the prior residential customer at the same address.
- (5) Nonpayment of, or failure to restore a deposit applied to, a delinquent account which is based all or in part on a "make-up" bill for previously unbilled Company service, resulting from: Company billing error, meter failure, leakage that could not reasonably have been detected or loss of service not caused by the residential customer or occupant; or two or more consecutively estimated bills, if the "make-up" bill exceeds the otherwise normal, estimated bill by 50%. This section shall not prohibit termination where the Company reviews the bill with the residential customer and offers to enter a payment agreement which may, at the residential customer's option, extend: at least as long as the period during which the excess amount accrued; or at least as necessary so that the quantity of service billed in any one billing period will not be greater than the normal estimated quantity for such period plus 50%.
- (6) Noncompliance with a payment agreement prior to the due date of the bill which forms the basis of the agreement.
- (7) Nonpayment of charges for Company service furnished more than two years prior to the date the bill is rendered.
- (8) Nonpayment for residential service already furnished in the name or names of persons other than the residential customer, unless a court, district justice or administrative agency has determined that

the residential customer is legally obligated to pay for the service previously furnished. This section shall not affect the Company's creditor rights and remedies otherwise permitted by law.

(9) Nonpayment of charges calculated on the basis of estimated billings, unless the estimated bill was required because Company personnel were unable to gain access to the affected premises to obtain an actual meter reading on two occasions and have made a reasonable effort to schedule meter reading at a time convenient to the residential customer or occupant.

(10) Nonpayment of delinquent accounts: which accrued over two billing periods or more; which remain unpaid in whole or in part for six months or less; and which amount to a total delinquency of less than \$25.

17.3 NOTICE PROCEDURES FOR TERMINATION OF RESIDENTIAL CUSTOMERS

(A) Notice Requirements for Authorized Termination of Service

Prior to a termination of service under Section 17.2(A) above, the Company shall:

(1) Provide written notice of the termination to the residential customer at least 10 days prior to the date of the proposed termination. The termination notice shall remain effective for 60 days.

(2) Shall attempt to contact the residential customer or occupant, either in person or by telephone, to provide notice of the proposed termination at least 3 days prior to the scheduled termination. Phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 7 A.M. and 9 P.M. if the calls were made at various times of the day.

(3) During the months of December through March, unless personal contact has been made with the residential customer or the responsible adult by personally visiting the residential customer's residence, the Company shall, within 48 hours of the scheduled date of termination, post a notice of the proposed termination at the service address.

(4) After complying with paragraphs (2) and (3) above, the Company shall attempt to make personal contact with the residential customer or responsible adult at the time of termination. The termination shall not be delayed for failure to make personal contact.

(B) Post-Termination Notice Requirements

Upon termination, the Company shall make a good faith effort to provide a post-termination notice to the customer or a responsible person at the affected premises, and in the case of a single meter, multiunit dwelling, the Company shall conspicuously post the notice at the dwelling, including in common areas when possible.

(C) Notice When Dispute Pending

The Company shall not mail or deliver a notice of termination, if a notice of dispute has been filed and is unresolved, and if the subject matter of the dispute forms the grounds for the proposed termination. Any notice mailed or delivered in contravention of this section shall be void.

(D) Procedures Upon Residential Customer or Occupant Contact Prior to Termination

(1) If at any time after the issuance of the initial termination notice and prior to the actual termination of service, a residential customer or occupant contacts the Company concerning a proposed termination, an authorized Company employee shall fully explain:

(a) The reasons for the proposed termination;

(b) All available methods for avoiding a termination, including:

(i) tendering payment in full or otherwise eliminating the grounds for authorized termination; and

(ii) entering a settlement or payment agreement;

(c) The residential customer's right to file a dispute with the Company;

- (d) The procedures for resolving disputes and informal complaints, including the address and telephone number of the Company
 - (e) The residential customer's duty to pay any portion of a bill which he does not honestly dispute; and
 - (f) The medical emergency procedures.
- (2) The Company, through its employees, shall exercise good faith and fair judgment in attempting to enter a reasonable settlement or payment agreement, or otherwise equitably to resolve the matter. Factors to be taken into account when attempting to enter into a reasonable settlement or payment agreement shall include, but not be limited to, the size of the unpaid balance, the residential customer's ability to pay, the residential customer's payment history and the length of time over which the bill accumulated. The Company will negotiate payment arrangements on the portion of the past due amount attributable to its charges.

(E) Use of Termination Notice Solely as Collection Device Prohibited

The Company shall not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this section; notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedure set forth by this section unless the ratepayer or occupant remedies the situation which gave rise to the Company's enforcement efforts.

17.4 NO LIABILITY

Whenever the supply of electricity is disconnected in accordance herewith, the Company shall not be liable for any damage, direct or indirect, that may result from such disconnection. In all cases where the supply of electricity is disconnected by reason of violation by the Customer of any of the provisions hereof or of any agreement with the Company for the purchase of electricity, there shall then become due and payable, in addition to the bills in default, an amount equal to the monthly minimum charge for the unexpired term of the agreement, not as a penalty, but in lieu of the income reasonably to be expected during the unexpired term of the agreement.

17.5 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS

(A) General Provision

The Company shall not terminate, or refuse to restore, service to any premises when any occupant therein is certified by a physician or nurse practitioner to be seriously ill or afflicted with a medical condition that will be aggravated by a cessation of service or failure to restore service.

(B) Postponement of Termination Pending Receipt of Certificate

If, prior to termination of service, the Company employee is informed that an occupant is seriously ill or is affected with a medical condition which will be aggravated by a cessation of service and that a certification will be procured, termination shall not occur for at least three days. Service may be terminated if no certification is produced within that three-day period.

(C) Medical Certifications

Certifications initially may be written or oral. The residential customer shall obtain a letter from a licensed physician and promptly forward it to the Company. All certifications, whether written or oral, must include the following:

- (1) The name and address of the residential customer in whose name the account is registered;

(2) The name and address of the person with the medical condition and his or her relation to the residential customer and/or occupant;

(3) The nature and anticipated length of the affliction; and

(4) The name, office address and telephone number of the certifying physician.

(D) Length of Postponement: Renewals

Service shall not be terminated for the time period specified in the medical certification provided that maximum length of the certification shall be 60 days.

(1) Time period not specified. If no length of time is specified, or if the time period is not readily ascertainable, service shall not be terminated for at least 60 days.

(2) Renewals. Certifications may be renewed in the same manner and for the same time period as provided in Sections 17.5(B) and 17.5(C) of this Tariff (relating to postponement of termination pending receipt of certificate and medical certifications)

(E) Restoration of Service

When service is required to be restored under Sections 17.5(A) -17.5(C) of this tariff (relating to emergency provisions), the Company shall make a diligent effort to have service restored on the day of receipt of the medical certification. In any case, service shall be restored within 24 hours. The Company shall have employees available or on call to restore service in emergencies.

(F) Residential Customer's Duty to Pay Bills

Whenever service is restored or termination postponed pursuant to the medical emergency procedures, the residential customer shall retain a duty to equitably arrange to make payment on all bills.

(G) Termination Upon Expiration of Medical Certification

When the initial and all renewal certifications have expired, the original ground for termination shall be revived and the Company may terminate service without additional written notice, if notice previously has been mailed or delivered pursuant to the notice requirements of this tariff.

(H) Company's Right to Petition the Council

(1) The Company may petition the Council for waiver from the medical certification procedures for the following purposes:

(i) Contest the validity of a certification. To request an investigation by the Council or its designee when the Company wishes to contest the validity of the certification.

(ii) Terminate service prior to expiration of certification. To request permission to terminate service for the ratepayer's failure to equitably arrange to make payments on all bills.

(2) The Company shall continue to provide service while a final Council adjudication on the petition is pending.

17.6 TERMINATION AT ANY PREMISES OTHER THAN THE RESIDENTIAL CUSTOMER'S RESIDENCE

(A) General Rule

Unless the affected occupants agree to a proposed termination, or the residential customer states in writing that the affected premises are unoccupied, the Company shall not terminate service to a single meter multi-unit dwelling or any premises that is not the residential customer's residence, except in compliance with the following provisions, in addition to all other notice and procedural provisions in Section 17.3 of this tariff (relating to notice procedures prior to termination):

(1) Notice requirement. At least ten days prior to the proposed termination, the Company shall conspicuously post notice at the affected dwelling. Where permissible, notice should be posted in common areas of the dwelling.

(2) Notice contents. In addition to other required provisions of the Section, a notice pursuant to this section shall include a statement that the occupants are not responsible for the delinquencies of the residential customer and the date on or after which service will be terminated unless:

(a) Payment in full is received from the ratepayer or the grounds for termination are otherwise eliminated; or

(b) A settlement or payment agreement is entered into between the residential customer and the Company; or

(c) The occupants agree to subscribe for future service individually and this can be accomplished without a major revision in distribution facilities or additional right-of-way acquisitions; or

(d) Where separate service cannot be instituted without a major revision in distribution facilities or additional right-of-way acquisitions, the occupants agree to be jointly and severally responsible for the full amount of all future bills for service at the affected dwelling. The consent of these occupants must be knowing and voluntary.

(3) Where the residential customer arranges to make payment in accordance with paragraph (2)(a) or (b) of this section or where the occupants agree to subscribe for future service in accordance with paragraph (2)(c) or (d) of this section, the Company shall consider the original grounds for termination eliminated and shall be prohibited from terminating service pursuant to those grounds. This section shall not affect the creditors' rights and remedies of the Company otherwise permitted by law.

(4) Reduction of deposit. When occupants at a single meter multifamily dwelling agree to pay all future bills for service provided in paragraph (2)(d) of this section and when any responsible person in a residential unit establishes credit, the amount of any required deposit or guarantee shall be reduced pro rata based on the number of residential units contained in the dwelling.

17.7 THIRD PARTY NOTIFICATION FOR RESIDENTIAL CUSTOMERS

(A) Third Party Notification

The Company shall permit its residential customer to designate a consenting individual or agency which is to be sent, by the Company, a duplicate copy of all reminder notices, past due notices, delinquent account notices, or termination notices of whatever kind issued by the Company. When contact with a third party is made, the Company shall advise the third party of the pending action and the efforts which must be taken to avoid termination. The Company shall institute and maintain a program:

(1) To allow residential customer to designate third parties to receive copies of a residential customer's or group of residential customer notices of termination of service;

(2) To advise residential customer of the availability of such a third party notification program and to encourage their use thereof; and

(3) To solicit community groups and police to accept third party notices in order to assist in preventing unnecessary terminations and protecting public health and safety.

§ X-18. Company's Right to Discontinue Electric Service.

The Company reserves the right to discontinue the supply of service for the following reasons, without notice:

(1) Unavoidable shortages of interruption in Company's source of supply, or other cases of emergency.

(2) Repairs, alterations or extensions of the service network.

§ X-19. [reserved]

§ X-20. Reconnection of Supply of Electricity.

A. If the supply of electricity has been disconnected for any of the reasons covered by this Chapter, the Company shall have a reasonable period of time in which to reconnect the Customer's service after the conditions causing disconnection shall have been corrected. No service disconnected will be reconnected after 3:00 p.m. on regular working days, or on Saturdays, Sundays or Borough holidays.

B. If the supply of electricity has been disconnected because of improper use, nonpayment, or if, in the Company's opinion its meter or wires or other apparatus have been tampered with, the Company may refuse to reconnect the Customer's service until the Customer shall have:

(1) Paid all delinquent bills,

(2) Paid to the Company an amount estimated by the Company to be sufficient to cover the electricity used but not recorded by the meter and not previously paid for,

(3) Made such changes in wiring or equipment as may in the opinion of the Company be proper for its protection, and

(4) Paid reconnection charge as set out in (d) of this section.

C. If the supply of electricity has been disconnected by the Company at the request of any public authority having jurisdiction, the Customer's service will not be reconnected until authorization to do so has been obtained from said public authority.

D. Where the Company has disconnected service for nonpayment of bill or for other reasons listed in this Chapter, the Customer shall pay the following reconnection charge as a condition of resuming service at the same location or at a different location:

(1) When service is disconnected at the meter:

\$17.50 minimum reconnection charge, or

\$185.00 maximum reconnection charge, when service is restored after Service Department hours requiring call-out time, or

Any charge between the minimum and maximum determined to be related to actual cost (labor, equipment, and materials).

(2) When service is disconnected other than at the meter:
The actual cost (labor, equipment, and materials) will be the reconnection charge.

§ X-21. Pole Removal or Relocation.

A. For purposes of this Rule, the following definitions are applicable:

(1) Contractor costs - The amounts paid by a public utility to a contractor for work performed on a pole removal or relocation.

(2) Direct labor costs - The pay and expenses of public utility employees directly attributable to work performed, on pole removals or relocation's, but does not include construction overheads or payroll taxes, workmen's compensation expenses or similar expenses.

(3) Direct material costs - The purchase price of materials used in performing a pole removal or relocation, but do not include related stores expenses. In computing direct material costs, proper allowance shall be made for unused materials, materials recovered from temporary structures, and for discounts allowed and realized in the purchase of materials.

(4) Pole removal or relocation - The removal or relocation of distribution line poles and their associated attachments made under the request of a residential property owner. The term does not include pole repairs or replacements necessitated by the intentional or negligent conduct of a party.

(5) The removal or relocation of a pole when done at the request of others is done at the applicant's request and payment of the Company's estimated cost of the removal or relocation is required in advance of the construction. Charges are limited to Contractor costs, Direct Labor costs and Material costs less an amount equal to avoided maintenance costs.

§ X-22. Terms and Conditions Governing Extension of Facilities.

The extension of the Company's distribution facilities for supplying electric energy either overhead or underground to a Customer or group of Customers will be made under one of the following plans subject to approval of the Borough, provided that the Company reserves the right to refuse to make an extension of its facilities, or to reinforce its facilities, or to take title to and assume responsibility for the future maintenance and replacement of facilities built to another and offered to the Company, when so doing the Company is required to assume an unusual financial risk or burden or is required to introduce a hazard to the service of other Customers, or to incur extraordinary losses of electric energy or to suffer excessive operating, maintenance and replacement cost.

A. Extension Plan A: SINGLE PHASE OVERHEAD LINE EXTENSION PLAN FOR CUSTOMER WITH LOADS NOT EXCEEDING 25 KILOWATTS

The Company will build single phase extensions to its distribution lines to serve small permanent Customers in accordance with the following terms and conditions:

(1) When an overhead extension is required, the Customer shall pay the estimated cost for the acquisition and/or preparation of rights of way in advance in addition to any other costs and monthly minimums required hereunder. This cost will be divided equally among the Customers connected to the extension or as may be mutually agreed upon by the Customers.

(2) When an underground extension is required the Customer shall pay the cost of such extension which will be the estimated cost difference between the below-grade and overhead construction plus the estimated cost for the acquisition and/or preparation of rights of way, in addition to any other costs and monthly minimums required hereunder. Such costs will be divided equally among the Customers connected to the extension or as may be mutually agreed upon by the Customers and will be paid in advance.

(3) Customers taking service under this extension plan and whose billing for each of the initial twelve months of service is estimated at less than three times the minimum determined hereunder shall enter into a written agreement with the Company for an initial term of five years, and the agreement shall remain in effect on an annual basis thereafter or until such time as the Customer's billing under the applicable rate exceeds three times his assured minimum as determined under this plan each month for one year. Sale of the premises covered by the agreement may be assigned to a new Customer with the consent of the Company.

(4) Each Customer taking service hereunder shall assure the Company monthly minimum revenue as follows:

(a) First 600 feet of extension length per Customer -- rate Ordinance minimum.

(b) Each additional 100 feet of extension length in excess of 600 feet per Customer -- \$1.00 per 100 feet per month (taken to the next 100 feet including service connection). This amount will be divided equally among the Customers connected to the extension and added to their rate minimum, provided that when more than one Customer is served from an extension exceeding 600 feet per Customer, the Company may permit a Customer to assume more than an equal share for the purpose of permitting others to assume less, provided the arrangement is a continuing obligation on the part of such Customer subject to adjustment only as provided in this plan and is otherwise acceptable to the Company.

(5) Whenever additional Customers are added to a line extension requiring assured minimum revenue, or to a further extension thereof, the assured minimum revenue as calculated above shall be re-calculated annually on the basis of the total length of the line and the total Customers served. Any further extension constructed which requires assured minimum revenue per Customer greater than those on the extension from which it originates will be considered a separate extension.

(6) Individual service lines necessary to reach a Customer's premises from the main line extension will be built by the company under this plan as a part of a main line extension or as a separate extension. When an individual service line considered by itself requires an assured minimum revenue greater than that in effect on the main extension, the individual service line will be considered as a separate extension, otherwise it will be included as a part of the main extension.

(7) If the Company is requested to extend or add to its facilities under this plan in order to supply electric service to other than small permanent Customers or to meet special or unusual

conditions, the Company will, after due consideration of the stability of the Customer's business and credit and proposed usage, make such arrangement with the Customer for financing the Company's facilities or guaranteeing revenue or a combination of the two, provided, however, that this is done without preference to or discrimination against this Customer or Customers.

B. Extension Plan B: SINGLE PHASE UNDERGROUND LINE EXTENSION PLAN FOR CUSTOMER WITH LOADS NOT EXCEEDING 25 KILOWATTS

- (1) For the purposes of this rule only, the following definitions are applicable:
 - i. Applicant for electric service - The developer of a recorded plot plan consisting of five or more lots, or of one or more five unit apartment houses.
 - ii. Developer - The party responsible for constructing and providing improvements in a development, that is, streets, sidewalks and utility-ready lots.
 - iii. Development - A planned project which is developed by a developer/applicant for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes or apartment houses, all of which are intended for year-around occupancy, if electric service to the lots necessitates extending the utility's existing distribution lines.
 - iv. Distribution line - An electric supply line of untransformed voltage from which energy is delivered to one or more service lines.
 - v. Service line - An electric supply line of untransformed voltage from which service is delivered to the residence.
 - vi. Subdivider - The party responsible for dividing a tract of land into building lots which are not to be sold as utility-ready lots.
 - vii. Subdivision - A tract of land divided by a subdivider into five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise or apartment houses, all of which are intended for year-around occupancy, if electric service to the lots necessitates extending the utility's existing distribution lines.
- (2) Underground facilities in new residential developments are only required when a bona fide developer exists, i.e., only when utility-ready lots are provided by the developer. A mere subdivision is not required to have underground service.
- (3) All distribution and service lines installed pursuant to an application for electric service within a development shall be installed underground; shall conform to the Company's construction standards, applicable provisions of 52 Pa. Code §57.26, the specifications set forth in the National Electric Safety Code (NESC), and shall be owned and maintained by the Company. All determinations of the applicability of such standards shall be made by the Company in its sole discretion. Pad-mounted transformers may be installed by the Company. Excavating and back-filling shall be performed by the developer of the project or by such other agent as the developer may authorize. Installation of service-related utility facilities shall be performed by the Company or by such other agent as the Company may authorize. Any street-lighting lines installed then or thereafter within the same development shall also be installed underground, upon terms and conditions prescribed elsewhere in the tariff. The Company shall not be liable for injury or damage occasioned by the willful or negligent excavation, breakage or other interference with its underground lines occasioned by anyone

other than its own employees or agents.

- (4) Nothing in this section shall prohibit the Company from performing its own excavating and back-filling for greater system design flexibility.
- (5) The applicant for electric service to a development shall:
- i. At its own cost, provide the utility with a copy of the recorded development plot plan identifying property boundaries and with easements satisfactory to the utility for occupancy by distribution, service and street-lighting lines and related facilities.
 - ii. At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the utility, and rough grade it to within 6 inches of final grade, so that the utility's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and back-filling performed or provided by the applicant shall follow the utility's underground construction standards and specifications set forth by the utility in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the utility. If the utility's specifications have not been met by the applicant's excavating and back-filling, the excavating and back-filling shall be corrected or redone by the applicant or its authorized agent. Failure to comply with the utility's construction standards and specifications permits the utility to refuse utility service until the standards and specifications are met.
 - iii. Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the utility's line and facility installation with the general project construction schedule, including coordination with other utilities sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the utility to avoid unnecessary costs and delay.
 - iv. Pay to the utility necessary and additional costs incurred by the utility as a result of the following:
 - Installation of underground facilities that deviate from the utility's underground construction standards and specifications if the deviation is requested by the applicant for electric service and is acceptable to the utility.
 - A change in the plot plan by the applicant for electric service after the utility has completed engineering for the project or has commenced installation of its facilities.
 - Physical characteristics, such as oversized lots or lots with extreme setback where under the utility's line extension policy contained in its tariff a charge is mandated for overhead service.
- (6) Whenever the distance from the end of the Company's existing distribution line to the boundary of the development is 100 feet or more, the 100 feet of new distribution line nearest to, but outside such boundary, shall be installed underground if practicable; and whenever such distance is less than 100 feet from said boundary, all of the new distribution line nearest to, but outside such boundary, shall be installed underground if practicable. The installation required by this paragraph shall be provided by the Company, without cost to the Applicant.

C. Extension Plan B: LINE EXTENSION PLAN TO SERVE CUSTOMERS WITH LOADS EXCEEDING 25 KILOWATTS OR REQUIRING THREE PHASE SERVICE

The Company will build extensions to its distribution lines to serve Customers with connected loads exceeding 25 kilowatts or requiring three phase service in accordance with the following terms and conditions.

(1) When an underground extension is required, the Customer shall pay the cost of such extension which will be estimated cost difference between below grade and overhead construction, in addition to any other costs and monthly minimums required hereunder. Such costs will be divided equally among the Customers connected to the extension or as may be mutually agreed upon by the Customers, and will be paid in advance.

(2) The Customer shall pay a monthly minimum equal to 2.75 percent of the cost of the additional facilities necessary to serve him or guarantee annual revenue equal to one-third of the additional construction cost. Customers taking service under this plan shall enter into an Electric Service Agreement with the Company for an initial period of three years or longer when required by the rate Ordinance and the agreement shall remain in effect on an annual basis thereafter under the same minimum guarantee, terms and conditions.

(3) When the additional facilities installed to serve the Customer are used at some future time to serve another Customer, the Customer's minimum under this plan shall be recalculated on the basis of the capacities of the Customers served from the facilities, and each Customer shall assume his proportionate share of the minimum charge.

(4) The Company as a safeguard for its investment and as a protection to its other Customers may require a Customer to give evidence of permanency by paying the Company the cost of connection and disconnection. The cost of connection and disconnection shall be the original cost of installing the additional facilities, less the salvage value of the additional facilities when removed plus the cost of removal. This payment will be returned to the Customer at the end of the three years without interest, provided the Customer has taken continuous service from the Company for three years and paid the Company the minimum revenue as provided herein. When a Customer does not take continuous service for three years the payment covering the cost of connection shall be forfeited to the Company and the facilities shall be removed.

§ X-23. Submetering.

The Company will furnish electricity to the Customer only for his own use, on the premises occupied through ownership or lease by the Customer. The electricity furnished by the Company shall not be remetered, submetered or otherwise controlled by the Customer for resale or assignment to another or others, except for all apartment house, office building, or shopping center owners, operators, or managers who may provide submetering in compliance with applicable rates and rules.

§ X-24. Customer Service Calls.

A. The Company maintains a Service Department to advise and assist the Customer in resolving electrical problems. The actual work performed by the Company service workers on the Customer's installation will be confined to the restoration of service and the isolation of faulty circuits or equipment. The Customer will be advised of any further work required by the

Customer's appliance repairman or electrician.

- B. Material used by the Company service workers to temporarily correct problems found in the Customer's installation will be billed to the Customer.
- C. After normal Service Department hours, the Customer will be billed for service requested when the service worker's report reveals that the Company's facilities were not involved and that the problem reported involved the Customer's installation only.
- D. The following rate of hours and labor charges shall apply to service calls:
 - (a) 8:00 a.m. to 3:00 p.m., Monday through Friday, except holidays \$15.00 per hour
 - (b) All other times \$185.00 per call