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Electric--P.S.C. D.C. No. 1
Eighth Revised Page No. 1

GENERAL TERMS AND CONDITIONS

FOR FURNISHING ELECTRIC SERVICE

IN THE

DISTRICT OF COLUMBIA





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GENERAL TERMS AND CONDITIONS
FOR FURNISHING ELECTRIC SERVICE

1. DEFINITIONS

- a. "Applicant" refers to any prospective Customer who applies to the Company for either SOS or Distribution Service or for the installation of an electric service connection. It also refers to any present Customer who applies for a modification of existing service or facilities.
- b. "Billing Service" is the provision of the monthly billing statement and all associated billing related accounting and customer service functions.
- c. "Commission" refers to the Public Service Commission of the District of Columbia.
- d. "Company" as used herein refers to Potomac Electric Power Company.
- e. "Consolidated Pepco Billing" - A single bill rendered by Pepco which includes both Pepco's and the Electricity Supplier's charges.
- f. "Consolidated Electricity Supplier Billing" - The Customer selects the Electricity Supplier to provide the bill for Pepco's and the Electricity Supplier's services.
- g. "Customer" refers to any present purchaser of either SOS or Distribution Service from the Company, in whose name the account is maintained. Such purchaser may be a person or persons, partnership, association, corporation, governmental agency or other entity or its duly authorized representative.
- h. "Distribution Service" is the provision of access to the Company's electric distribution system for the purpose of providing an electrical connection between the Transmission System and the Customer's connection to the load side of the Company's meter.
- i. "Electricity Supplier" or Supplier - A supplier of electricity (generation and transmission service) other than the Company, that has been licensed by the Commission to sell electricity within the District of Columbia in compliance with Section 105 of the Retail Competition and Consumer Protection Act of 1999. The Electricity Supplier is bound by the requirements of the Electricity Supplier Coordination Tariff as approved by the District of Columbia Public Service Commission.
- j. "Electricity Supplier Coordination Tariff" - A tariff which sets forth Customer enrollment procedures and basic requirements for coordination between Pepco and Electricity Suppliers.

- k. "Electricity Supply Service", or "Generation Service" is the provision of electrical demand and energy, including all associated losses, to the load side of the meter serving the Customer.
- l. "Market Price Service" is a rate option allowing Customers for an indefinite period of time to choose an Electricity Supplier without being obligated to remain on the SOS rate for a minimum of 12 months.
- m. "Metering Service" is the provision of a meter, meter operation and maintenance, and all metering-associated facilities, and services, including the acquisition and transfer of meter data.
- n. "Non-Residential Customer" refers to a Customer subject to billing on any schedule other than a Residential Service Schedule.
- o. "Owner" - a person or persons, partnership, association, corporation, governmental agency or other entity or its duly authorized representative who has title to property.
- p. "Residential Customer" refers to a Customer subject to billing on a Residential Service Schedule.
- q. "Retail Electric Competition and Consumer Protection Act of 1999" or "Retail Competition Act" - The Act authorizing retail competition in the District of Columbia.
- r. "Separate Pepco/Electricity Supplier Billing" or "dual billing" - Pepco and the Electricity Supplier each bill the Customer separately for their services.
- s. "Standard Offer Service" or "SOS" is the provision of fully-bundled electricity supply, transmission, distribution, metering and billing services to Customers who choose such service or do not have an alternative supplier for generation and transmission services, as defined in the Retail Competition Act, Section 109.
- t. "Transmission Service" is the provision of access to the transmission and ancillary services provided by the PJM Interconnection for the purpose of providing an electrical connection between the Customer's Generation Service provider and the Company's electric distribution system.



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- u. "Unauthorized Use" refers to the use of Generation, Transmission, Distribution or Meter Service by a Customer or third party that circumvents the meter or any other Company equipment installed to convey, protect, measure, or prevent, the supply of electricity to the premises, or that occurs where proper and timely application for service has not been made.

2. GENERAL PROVISIONS FOR ELECTRIC SERVICE AND FACILITIES

a. General

The Company will furnish electric service to Customers under the filed rate schedules and in accordance with these "General Terms and Conditions" and its "Electric Service -- Rules and Regulations".

b. Revisions

These "General Terms and Conditions", and the terms and provisions of the various rate schedules are subject to change at any time as approved by the Commission.

c. Disputes

In the event of a dispute between a Customer or Applicant and the Company concerning the interpretation of these General Terms and Conditions, the parties should try to resolve the dispute. If an accord cannot be reached, either party may submit the particulars of the complaint to the Commission for review through appropriate procedures as authorized by the Commission. If the Customer has a dispute with the Electricity Supplier, the Customer should utilize the Supplier's internal dispute resolution process. If the Customer is not satisfied, the complaint can be filed with the Commission.

d. Distribution and Supply

The nominal electrical voltage and phase characteristics of service available at a particular location vary depending upon the Company's distribution facilities supplying the service. Extensions and changes in the distribution system of the Company are constantly being made due to changes in the electrical consumption and demands upon the Company. For the characteristics of service available at a particular location, the Applicant should contact the Company. Upon request, the Company will specify, in writing, the characteristics of service to be supplied in each case.

The Company's "Electric Service -- Rules and Regulations," with reference to the connection of equipment to its lines, were adopted in order to prevent interference with the proper operation of its system and as a precaution to insure the furnishing of satisfactory service to all Customers. Compliance with these Rules and Regulations is mandatory as a condition of obtaining electric service and for continuation of service. Copies of these rules will be supplied and explained upon

request. The Company will not be liable for refusal to supply service unless it has been duly notified regarding all purposes for which the service is to be used and has given its consent thereto. The Customer or Applicant should, in all cases, consult with the Company before purchasing initial, additional or replacement electrical equipment, in addition to reviewing the installation and other requirements of the Company's "Electric Service -- Rules and Regulations," in order to determine if the supply and characteristics of service will be adequate and to determine the effect, if any, upon rate classification.

It is expressly understood that the Company does not guarantee a constant supply of electricity. The Company reserves the right to interrupt the supply without notice under emergency conditions, and at any time, for necessary repairs and extensions in circumstances which make advance notification impractical. In some instances, in order to perform planned construction and maintenance on the electrical system, planned power outages are necessary. In these cases, the Company will give Customers a sixty (60) hour, or two and one-half (2½) day, notification of planned power outages in excess of one (1) hour.

The Company is not liable for any loss, cost, damage or expense to any Customer, applicant or supplier occasioned by any failure to supply electricity or by the interruption, reversal, reduction, surge or fluctuation in the supply of electricity caused by events or circumstances beyond the control of the Company, or by any cause except willful default or willful neglect on its part, and the Company will in no event be liable for any loss, cost, damage or expense attributable to business interruptions, loss of profits, or other special or consequential damages resulting from a failure, interruption, reversal, reduction, surge or fluctuation in the supply of electricity.

e. Customer's Wiring and Appliances

The Customer shall be responsible for the maintenance and repair of the Customer's wiring and equipment. The Company shall not be liable for loss or damage resulting from the presence, character or condition of the Customer's wires, appliances or equipment, or for the inspection or repair thereof.

Before the service will be energized, the Applicant's electric wiring and equipment must be approved as required by the inspection authorities having jurisdiction and the Company so notified by said inspection authorities.

A Customer shall not extend his electrical facilities across public space to supply electricity to other properties. Electric service furnished to the

Customer shall be for the Customer's own use and may be re-metered or sub-metered only by a Non-residential Customer as authorized under Title VII – Submetering Provisions of the Clean and Affordable Energy Act.

f. Company Connection Facilities

The Company will supply service connection facilities in accordance with Section 10 -- SERVICE CONNECTIONS, and will extend its distribution system as necessary in accordance with Section 11 -- EXTENSIONS OF THE DISTRIBUTION SYSTEM, in order to supply service to the point of delivery or interconnection specified therein and in the "Electric Service -- Rules and Regulations." Where the Customer also has a source of electricity other than the Company and desires interconnection, interconnection facilities shall be provided as further specified in the appropriate rate schedule. Where the Customer has a generator that meets the requirements set forth in DC Code §§ 34-1501 and 1518; the Company's Standard Net Energy Metering Contract; and the Commission's Net Energy Metering Rules adopted in Order No. 13501, issued February 10, 2005; the Customer must execute the Company's Standard Net Energy Metering Contract which specifies the interconnection requirements for such facilities.

Under no circumstances shall the Customer electrically interconnect the Company's facilities with any equipment energized from another source of electricity without express permission from the Company in writing to do so.

The Customer and the Owner agree to protect from damage the meters, wires and all other equipment placed on the premises and belonging to the Company, as a condition of their installation to provide electric service, and further agree that no one who is not an agent of the Company, or otherwise lawfully entitled, will be permitted to inspect, remove or tamper with said meters, wires and equipment. If tampering with or damage to the Company's equipment on the premises is evident, the Customer may be liable for the cost of repairs and may be required to provide protective equipment satisfactory to the Company to prevent access by unauthorized persons.

g. Metering

The Company will furnish, install and maintain only as much metering equipment as in the judgment of the Company is necessary to properly measure the electricity supplied for billing and/or load research purposes. Metering requested by a Customer or an Electricity Supplier that captures information beyond the minimum components required by the Customer's prevailing retail service tariff and/or requires a reading method or

schedule that varies from standard metering services will be paid for by the Customer, or the Supplier as stated in Section 13.3 of the Electricity Supplier Coordinator Tariff. The Customer will be required to provide space for the installation of the Company's Meters and equipment at a location acceptable to the Company, and arrange the wiring on the premises to accommodate the number of meters which the Company deems necessary for billing, as further specified in the Company's "Electric Service -- Rules and Regulations". With new electric service lines or replacement of existing electric lines, meters shall be placed outdoors at no expense to the customer; however, if relocation is for the convenience of the customer, it shall be at the customer's expense.

The Customer and the Owner authorize and empower the authorized agents of the Company, at all reasonable hours, to have free access to the premises for the purpose of reading meters or examining, repairing or removing any of the Company's property. The Customer further agrees to keep meter locations clean, clear and accessible to the Company's authorized agents. Customers must grant access to the meter for maintenance or service disconnection. If customer refuses access, the customer shall bear the cost of relocation of the meter.

3. APPLICATION FOR ELECTRIC SERVICE

a. General

Whether or not a written application or agreement is executed, the Applicant, by accepting service from the Company, agrees to be bound by these General Terms and Conditions and the applicable rate schedule as from time to time in effect.

b. Application In Writing

The Company may require a proper written application for service, meeting the following criteria and acceptable to the Company, at any time whether or not service has commenced. In such case the signature must be that of the Applicant or Customer or a properly authorized agent. Evidence of such authority shall be presented at the time the application is signed. If the Applicant is a corporation, the title of the officer or agent signing the application must be stated beneath the signature, and the name and address of the corporation's District of Columbia resident agent shall be shown. If the Applicant is a partnership, the name and address of all general partners shall be shown. The Company may also require the Applicant or a Customer involved in a dispute with the Company concerning service to furnish satisfactory evidence that he owns the premises, or that he has authority to occupy and/or use the premises and to permit the Company to enter the premises to supply service in accordance with these General Terms and Conditions.

c. Account Initialization Fee

A \$20.00 charge is assessed each time an account is opened. This fee is charged to the new account holder. (Not applicable until considered by the Formal Case No. 945, Phase II Working Group and Commission approval.)

d. Commencement of Service

The Applicant shall become the Customer when service commences, and the account shall be maintained in that name and electric service to the premises shall continue to be the responsibility of that Customer until service is terminated or account responsibility is superseded by subsequent application. Where account responsibility has terminated, it shall be fraudulent to use service without having made application therefor in the name of the new responsible party, or to apply for service in a fictitious name, or to apply in the name of another member of the family or household or other occupant of the premises in order to assist

in avoiding payment of a prior outstanding bill; and the consumption of Company electricity on the premises shall be an unauthorized use thereof. See Section 9c regarding residential service discontinuance with respect to fraudulent use by residential Customers.

The Company will not connect service unless a responsible adult is on the premises at the time, and until the required inspections and approvals from inspection authorities having jurisdiction have been obtained and the Company so notified.

The Company may refuse service to an Applicant who owes any outstanding judgments or bills to the Company, individually or jointly, for prior service of any class, the collection of which is not barred by operation of the Statute of Limitations, until the Applicant has paid or made arrangements to pay in full such judgments or bills and has reestablished credit in accordance with Section 4--DEPOSITS TO GUARANTEE PAYMENT OF BILLS.

e. Selection of Rate Schedule

Each rate schedule defines the service for which it is available, according to the purposes for which the service is to be used, and certain electrical characteristics of the supply such as voltage and phases. Special terms and rates for the furnishing of electric service may be established when the conditions of use or other circumstances render it inequitable for the Company to supply electric service under an established rate schedule. Such conditions include but are not limited to abnormal load factor, diversity factor, power factor, size and fluctuations in demand. In such cases, the Company may establish restrictions, special terms or rates, subject to the approval of the Commission.

The Company will assist the Applicant or the Customer upon request in the selection of the most economical rate schedule or rider. The selection and verification of such a rate schedule or rider will be the sole responsibility of the Applicant or Customer. The Company cannot guarantee that the Customer will be served under the most favorable schedule or rider. No refund to the Customer will be made based on another rate which might have been selected. The Customer should periodically review the appropriateness of the rate schedule, especially after any substantial change in equipment or appliances and after any major changes in the rates and their application.

Where more than one rate schedule is available for a particular application, the Company reserves the right to impose a waiting period before implementing a Customer's request to change rate schedules, not to exceed six months, where either or both rate schedules contain

seasonal rate differentials and the Customer can reasonably estimate neither a probable annual savings under the alternative rate nor a substantial change in the circumstances of consumption.

f. Selection of Type of Service

The Retail Electric Competition and Consumer Protection Act of 1999, as amended (The Act) gives the Customer the option to receive all electricity services (generation, transmission and distribution) from Pepco. This option is referred to as Standard Offer Service. Pepco will provide this service for Residential Customers served on Schedules "R", "AE", "RAD", "RTM" and "RTM EX" and Small Commercial Customers served on Schedules "GS ND", "T", "SL", "TS", "TN" and "SL-TN" up to May 31, 2011 subject to Commission ruling. Pepco will provide this service for Large Commercial Customers served on Schedules "GS LV", "GS 3A", "GT LV", "GT 3A", "GT 3B", and "RT" through May 31, 2007 or as authorized by the Commission.

The Act also gives the Customer the option to receive generation and transmission services from an Electricity Supplier. If this option is chosen, Pepco will continue to provide distribution service.

A Customer is considered to have chosen Standard Offer Service if the Customer: a) contracts for electricity with an Electricity Supplier and it is not delivered, b) cannot arrange for electricity from an Electricity Supplier, c) does not choose an electricity supplier, in accordance with Section 109 of the Retail Competition Act, or d) chooses to receive SOS from the Company.

If the Customer chooses to receive generation and transmission service from an Electricity Supplier, the Customer should contract with the Electricity Supplier. The Electricity Supplier will notify Pepco of the Customer's choice and the Customer choice will take effect with the next scheduled meter read date provided that the Customer selection was forwarded by the Electricity Supplier to Pepco at least seventeen (17) calendar-days before the scheduled meter read date. Pepco will confirm the Customer's choice of Electricity Supplier by sending a letter to the Customer regarding the Customer's choice. The Customer has ten (10) days from the date Pepco sends a notice of enrollment stating the Customer's choice, to rescind their choice of Electricity Supplier.

Residential customers may change their service selection at any time as described in the previous paragraph. Non-residential Customers, including master metered apartments served under the multiple application of the Residential rate schedule, returning to Standard Offer Service must remain for a minimum of one (1) year, unless they are returning due to Electricity Supplier default, in which case they have three full billing cycles to select another supplier.



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Supplier default occurs when the PJM Interconnection L.L.C. has notified PJM members that the supplier is in default. Non-residential Customers also have the option of selecting Market Price Service (MPS). Customers electing MPS may remain on this service at their option, or may select an Electricity Supplier or Standard Offer Service at any time.

4. CREDIT GUARANTEES FOR FINAL BILL PAYMENTS

a. General

The purpose of a deposit or other credit arrangement is to provide assurance to the Company that the final bill of the Customer will be paid. Such a deposit can only be credited to a final bill and may not be applied against the amount due on a regular bill. This policy is in the interest of all the Company's rate payers since it avoids, to the extent practicable, the burden of uncollectible bills which would otherwise be borne by these ratepayers. The essential ingredient in the administration of such a credit arrangement is its equitable application to all Applicants for service and Customers throughout the Company's service area.

b. Residential

The Commissions' regulations on customer deposits and allied security matters are published in the Consumer Bill of Rights. A copy of these regulations is available from the Company. A copy may also be obtained from the Commission.

A summary of the principal provisions in these regulations is as follows:

1. No request will be made for a cash deposit from an Applicant for residential electric service who has not previously been a Customer of the Company for such service. The need for a deposit on a residential electric service account will be based solely on a Customer's paying habits established either as a former or present Customer of the Company.

For former Customers a deposit will be required when: (a) the service of the Customer has been terminated for nonpayment of a delinquent account not in dispute within the previous 12 months, or (b) the Customer has, in an unauthorized manner, interfered with or diverted the service of the utility situated or delivered on or about the customer's premises within the 12 months immediately preceding the Customer's request for new service, or (c) the Customer's account has been delinquent for an excess of 60 days within the previous 12 months, or (d) the Customer has an outstanding balance due the utility for utility service. In any event, provision of new service may be conditioned upon payment of the outstanding balance.

For current Customers, a cash deposit may be required as a condition of continued service to a Customer when (a) utility

services at the Customer's residence have been interfered with or diverted in an unauthorized manner within the previous 12 months, or (b) the Customer's account has been delinquent for an excess of 60 days within the previous twelve (12) months.

When a deposit is required of a current Customer, the Customer shall be notified in writing of the reason therefore, the amount of deposit required, the date due (not less than 14 days from the date of the first written notice), and that it may be paid in installments.

2. The amount of deposit requested from a Residential or Small Commercial Applicant will be the lesser of \$100. For deposits of \$35 or greater, residential Customers may pay in a minimum of three monthly installments.

For customers receiving service under Schedule "AE" – Residential All-Electric Service

Pursuant to Order No. 15134 issued December 9, 2008, for the period of January 1, 2009 through March 31, 2009 deposits will be assessed on delinquent accounts, but may be paid over a three-month period. By Commission Order No. 15134, the Company's interim measures shall expire on March 31, 2009. In addition Order No. 15134 provides that as of April 1, 2009, the Company's approved tariff in effect prior to the Order shall apply to all customers without further notice.

c. Non-Residential Customers

Before receiving electric service a Non-Residential Customer shall establish credit to the satisfaction of the Company and shall discharge, either by payment or agreement, any prior indebtedness to the Company for electric service. When credit is not otherwise established and/or maintained, the Customer shall deposit with the Company a cash sum equivalent to the estimated or actual bill for electric service for the 60-day period of highest estimated use during a year, which sums shall be not less than \$10.00.

d. Refund of Deposit - Residential Customers

Deposits together with accrued interest will be refunded automatically upon demonstration of a satisfactory payment record over 12 consecutive months or upon discontinuance of service. Payment is satisfactory if the Customer's account has not been terminated involuntarily or the Customer's account has not been delinquent for an excess of 60 days within the previous 12 months. The utility may withhold return of deposit funds pending resolution of any dispute.



e. Interest on Deposits

Simple per annum interest is paid on deposits from the date of receipt by Pepco. The calendar year rates shall be established not later than January 15 of each year. The rate shall be equal to the average of the percent yields of 1-year constant maturity Treasury bills for September, October and November of the preceding year.

Interest shall be paid annually, if requested by the Customer, or at the time the deposit is returned.

f. Retail Choice

With the implementation of Retail Competition, Pepco may hold existing Customer deposits in proportion to the dollar amount of service provided by the utility.

5. METER READING AND BILLING

a. General

All electricity delivered to a Customer shall be metered as provided in the applicable rate schedule. Bills subject to the provisions of Section 7 -- PAYMENT, and Section 8 -- ALTERNATE PAYMENT PLANS, bills will be based on meter readings or estimated or calculated consumption as provided herein and in the applicable rate schedule for the service address specified by the Customer.

The Company will try to read each Customer's meter at approximately monthly intervals to determine the amount of energy used in kilowatt-hours and, if applicable, the maximum demand in kilowatts, but reserves the right to extend the intervals in the case of inaccessibility of the meter, extreme weather, change in billing cycle, or other extraordinary conditions. Demand charges will be based upon the maximum 30-minute demand recorded during the month. The terms "billing month" and "monthly," as used herein and in the rate schedules, refer to the average reading period which is taken as 30 days, but may vary in length from 25 days to 35 days.

The Company will render a bill to each Customer within a reasonable time after the monthly consumption has been determined. Where bills are estimated they will carry appropriate notice to that effect.

In order that bills will not be misdirected, the Customer is responsible for notifying the Company of any service address change or change in service responsibility (such as due to changed postal address or renumbering of tenants' units) at least three (3) days prior to the change. If the required notice is not received, the Customer may be held responsible for all electricity consumed at the service address previously supplied to the Company until three (3) days after notifying the Company of the correct service address or change in service responsibility. The Customer may only be held responsible to the extent that a subsequent occupant does not accept responsibility and pay the charges therefor.

Customers have the choice of dual Pepco/Electricity Supplier billing, consolidated Pepco billing, or consolidated Electricity Supplier billing. Residential customers choosing billing providers other than Pepco will receive a \$0.62 credit, and non-residential Customers will receive a \$0.75 credit per month.

b. Multi-month billing.

In computing bills covering service rendered for periods of more or less than one (1) month, the following provisions shall apply:

1. Bills without separate demand charge. Bills covering periods of 16 to 45 days inclusive shall be computed at monthly rates. Bills covering periods of more than 45 days shall be computed to the nearest multiple of one (1) month, that is, two (2), three (3), or more months, as the case may be. Electricity used during periods of less than 16 days shall be included with the next full month's billing and not billed separately, except that final bills covering less than 16 days shall be billed at monthly rates.
2. Bills with separate demand charge. Bills covering periods of 25 to 35 days, or multiple monthly periods consisting of multiples of 30 days plus 25 to 35 days, shall be computed at monthly rates to the nearest multiple of one month. For bills covering all other periods, the "monthly" provisions of the respective rate schedules shall be applied pro rata on the basis of the ratio of the number of days covered to a 30-day billing period. When a billing period exceeds 35 days as a result of a meter reading schedule change by the Company, the bill will be rendered as if it was for a normal billing month.

c. Combined Billing

When more than one (1) meter is used to measure the amount of electricity consumed by a Customer, a bill in accordance with the appropriate rate schedule will be rendered for the electricity supplied through each meter. However, consumption registered by two (2) or more meters supplying a single premises may be numerically added and a single bill rendered for the total consumption as though supplied through a single meter, provided the additional meter is made necessary by:

1. Regulations or codes promulgated by municipal or other governmental authorities.
2. The Customer's load being of such size and character as to make it advisable, in the opinion of the Company, to install more than one service control switch or more than one service connection to supply the premises.

d. Estimated Billing

The Company may render a bill based on its estimate of the Customer's electric consumption in the following circumstances. Under normal conditions any difference between the estimated consumption and the actual consumption will be adjusted through subsequent readings.

1. When a meter is not scheduled to be read and the Customer meter reading card delivered to the Customer has not been returned to the Company by the return date.
2. When a meter has not been read in accordance with the schedule due to the inaccessibility of the meter or extreme weather or other conditions.
3. When a Customer's meter reading varies significantly from the Company's estimate.

Any Residential Customer may read his or her own meter and report the reading to the Company. Upon request, the Company will furnish to a Residential Customer meter reading cards or other indicators, and will inform the Customer how to read the Company's meter. Whenever a meter reader is on the premises and cannot make an actual reading, the meter reader, where practicable, will leave a meter reading postcard at the premises. When both the Company and the Customer timely supply a meter reading, the Company reserves the right to use its reading for billing purposes.

In order to ensure the accuracy of the billing, the Customer shall provide the Company access to the meter to obtain actual meter readings, as provided in Section 2(e) -- Metering. Bills based on cumulative estimated or Customer-reported readings of residential meters will not normally be allowed for more than six (6) months after the last actual reading by the Company, and a lesser period may be determined appropriate by the Company in individual cases. Refusal to provide such access may result in discontinuance of service as provided in Section 9 -- DISCONTINUANCE OF ELECTRIC SERVICE.

f. Final Billing

When a Residential Customer requests discontinuance of service the final meter reading may be computed, based on the Customer's average daily usage during the preceding month. A Non-Residential Customer's final bill will be based on an actual reading if possible. Final readings will not be computed when prior use is short-term or irregular so as to



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provide an unsatisfactory basis for the computation or when a Customer specifically requests that the meter be read.

The Customer is responsible for notifying the Company to discontinue his account responsibility at least three (3) days prior to the desired termination date.

6. ACCURACY OF ELECTRIC METERS

a. General

The accuracy of all meters in service will be maintained in compliance with the Commission's regulations. For watt-hour meters, the average accuracy shall be the arithmetic average of the percentage registration at light load and at heavy load, giving the heavy load registration a weight of four (4).

Whenever a meter tested by the Company or by the Commission is found to have an error in excess of that allowed by the Commission, the provisions for the adjustment of bills set forth in this Section will be observed.

b. Adjustment for Over-Registration

1. If a meter is tested and found to have over-registered by more than 2%, the Company will recalculate bills for the last Customer of record to whom service was furnished through that meter and will credit that Customer's account with the amount charged in excess of the amount which would have been charged had the meter registered with 100% accuracy, except that no adjustment will be made unless the excess charge is more than \$1.00.
2. If the date on which the error in meter registration began can be established the period for recalculation of bills will begin at that time.
3. If the date on which the error first developed or occurred cannot be established, bills will be recalculated for a period of three (3) years preceding the date of discovery of the error or for a period equal to one-half the time elapsed since the last meter test, whichever is less.

c. Adjustment for Under-Registration

If a meter is tested and found to have under-registered by more than 2%, the Company may charge the Customer's account an amount equal to one-half of the deficiency in billing for the 12-month period immediately preceding the date of discovery of the meter error, unless the meter has been tested within the 12-month period in which event the Company may bill the Customer one-half the unbilled error for the period since the meter was last tested. If the deficiency in amount billed is found to be less than \$5.00, no adjustment will be made.

d. Other Adjustments

The Company will make appropriate refunds or credits in cases of overcharge or may bill additional amounts in cases of undercharge when amounts billed are found to be in error because of improper connection of metering equipment, incorrect reading of meters, improper application of rate schedule or for other similar reasons.

In cases where additional amounts have been billed to the Customer when an undercharge situation has been found to exist, service will be denied the Customer for non-payment of amounts billed only for that portion of the adjustment applicable to the four (4) months immediately preceding the discovery of the error, unless specifically authorized to do so by the Commission.

e. Wastage Due To Grounding

1. When an accidental ground on the load side of the billing meter is found to exist on the Customer's premises, but is unknown to the Customer, the ground will be cleared from the circuit as soon as possible by Company personnel, if practicable, or otherwise the Customer will be informed and the ground is to be cleared within seven (7) days of discovery of the fault, by a licensed electrician employed by the Customer.

2. A billing allowance for wastage electricity will be credited to the Customer equal to one-half of the total estimated energy wasted during the time the ground was present. Such adjustment will be based on the difference between the daily average energy consumption as metered for periods immediately preceding the initial grounding and immediately subsequent to clearance of the fault. In cases where the date of initial grounding cannot be ascertained, the period of time on which the adjustment is based shall not exceed one (1) year and, in any case, shall not exceed



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the period of past continuous occupancy of the premises by the current Customer of record.

7. PAYMENT

a. General

All bills are due and payable when rendered. A bill is overdue if not paid in full within 20 days after the bill is rendered.

Customers served under Standard Offer Service or Market Price Service will have payments applied in the following order: first to arrearages for regulated utility service, oldest item first; next to current regulated charges; and finally to other authorized charges, unless the Customer designates otherwise.

When Customers served by an Electricity Supplier make a bill payment, the payment will be applied in the following order: Pepco arrearages, Electricity Supplier arrearages, Pepco current charges, Electricity Supplier current charges, and lastly, value-added services (defined as household appliances, maintenance contracts, etc. or other services in addition to the electricity supply being sold and billed to the Customer.)

b. Payment By Check

A service charge of \$5.00 will be imposed for every check received in payment of a Customer's account which is lawfully dishonored by the payor bank. On the first occurrence of a returned check within the past 12 months, the Company will waive its service charge of \$5.00 if the Customer submits a reasonable explanation of the occurrence.

c. Late Payment

The date of payment will be considered as the date upon which payment is received at the office of the Company, or one of its authorized collection agencies. When the 20 days allowed for payment expire on a holiday or on a Saturday or Sunday, the payment period shall be extended through the next ensuing business day. Consideration shall be given upon request for an extension of the overdue date when, within the discretion of the Company, conditions warrant, such as late bill delivery or similar hardship. The customer shall provide an accurate account number for prompt payment posting. Payment submitted electronically, by phone or computer, must be received within the Company's established computer processing times for same day posting.



The Company may levy a late payment charge on amounts that are not paid by the due date. Such late payment charges shall be established by tariff in accordance with the procedure required by the Commission.

For customers receiving service under Schedule "AE" – Residential All-Electric Service

Additional exceptions to late payment charges can be found in Section 8 - - ALTERNATE PAYMENT PLANS pursuant to Order No. 15134 issued December 9, 2008 for the period of January 1, 2009 through March 31, 2009. By Commission Order No. 15134, the Company's interim measures shall expire on March 31, 2009. In addition, Order No. 15134 provided that as of April 1, 2009, the Company's approved tariff in effect prior to the Order shall apply to all customers without further notice.

8. ALTERNATE PAYMENT PLANS**a. General**

Bills may be rendered to a Customer later than or on a different basis than actual monthly consumption, in accordance with a Company-approved alternate payment plan.

b. Average Payment Plan

At the request of a Residential Customer, an Average Payment Plan is available for budget billing purposes. This plan is not available for master-metered apartment buildings billed on the multiple application of the Residential Service Schedule. The minimum monthly bill under this plan shall be \$20.00.

Under provisions of the plan, the amount billed each month for which payment is to be made within 20 days of rendition is approximately equal to one-twelfth of the total actual charge for service, as computed under the schedule, for the 12-month period ended with the current bill month.

In the case of a new Customer or of a Customer who has taken service for less than 11 billing months prior to entry into the plan, the Company will estimate that portion of the annual bill which is necessary to determine the amount of the monthly payments until such time as 12 months of actual data had been obtained.

Late payment charges as set forth in Section 7 of these "General Terms and Conditions" shall apply to amounts billed under the plan, but shall not be applicable to differences between total payments and total charges for service which arise solely because of seasonal variations in the use of service.

However, in the event that a Customer fails to make two (2) monthly payments within a 12 month period under the plan, their account will be removed from the plan and they will be required to pay the amount of arrears relative the payments missed as well as to pay any cumulative difference which may be on the account because of seasonal variation. Once additional payments are received by the Company that bring the account up-to-date with not outstanding balance owed to the Company, the account will not be returned to bill on an Average Payment Plan basis except upon request by the Customer.

For Customers selecting an Electricity Supplier, Pepco will determine whether the account should be trued-up immediately or later if it is close to the end of the plan year. Customers participating in the Average Payment Plan will be charged for the Company's distribution services regardless of the Customers' choice for Competitive Supply Services or the billing method selected. Customers seeking to enroll in or terminate from the Average Payment Plan must do so by contacting the Company.

c. Deferred Payment Arrangements

Customers who are experiencing temporary financial difficulty may qualify for deferred payment arrangements to bring their accounts current. In establishing the terms of such arrangements, the Company considers such factors as the Customer's ability to pay, the reason for the arrearage and the Customer's prior payment history. If a Customer selects an Electricity Supplier, any time payment arrangement that may be in effect will remain unaltered, subject to the provisions of this section. These arrangements are intended to assist the Customer over a temporary period of financial difficulty; failure by the Customer to meet the terms of the agreement will result in cancellation of the agreement as well as the assessment of late charges and will subject the account to immediate collection action, which includes possible disconnection of service.

d. Extended Payment Date Plan

An extended payment date plan is available to Residential Customers receiving monthly Social Security or certain other government-sponsored, low-income monthly income assistance which constitutes the principal source of total income within the household.

The Customer is responsible for making application to the Company, and such application is subject to verification and acceptance by the Company. Continued eligibility for this plan is dependent upon application renewal by the Customer and acceptance by the Company during the month of March of each succeeding year.

Under the extended Payment Date Plan, if the 20-day period referred to in Section 7 would expire prior to the fifth day of the month following the month in which the bill was rendered, then the Customer may pay the bill on or before the fifth day of that following month without payment of the late payment charge referred in Section 7. If that fifth day falls on a Holiday, Saturday or Sunday, this period shall be extended through the next business day.

e. Energy Assistance Programs

The Company may participate with appropriate local, State or federal agencies in the creation and operation of energy payment assistance programs.

f. Payment Plans for Customers on Schedule "AE"- Residential All-Electric Service

Pursuant to Order No. 15134 issued December 9, 2008, for the period of January 1, 2009 through March 31, 2009, customers will be allowed to enroll in the Average Payment Plan, if they are no more than two months in arrears, as long as the arrearage is paid through a deferred payment agreement not to exceed twelve (12) months. If the customer honors the terms of the payment plan, late payment charges and other collections actions will be suspended during the payment plan period. By Commission Order No. 15134, the Company's interim measures shall expire March 31, 2009. In addition, Order No. 15134 provides that as of April 1, 2009, the Company's approved tariff in effect prior to the Order shall apply to all customers without further notice.

9. DISCONTINUANCE OF ELECTRIC SERVICE

a. Discontinuance Upon Customer Request

A Customer desiring to discontinue electric service, shall notify the Company at least three (3) days in advance of the date discontinuance is desired. The Customer is responsible for all electricity consumed on the premises for three (3) days after the date of such notice (unless the Company obtains an actual meter reading sooner than the third day). If the Customer requesting discontinuance is served by an Electricity Supplier, Pepco will notify the Electricity Supplier of the Customer's discontinuance of service for the account at the customer's location as required by Section 7.7 of the Electricity Supplier Coordination Tariff.

b. Discontinuance by the Company

The Company may discontinue service upon due notice to a Customer and remove its property without being liable to the Customer or to tenants or occupants of the premises served, for any loss, cost, damage or expense occasioned by such discontinuance or removal, for any of the following reasons:

1. Failure to comply with the Company's requirements for service applications as required under Section 3 -- APPLICATION FOR ELECTRIC SERVICE, or Section 10 -- SERVICE CONNECTIONS.
2. Failure of a Customer to make or to increase a deposit as required under Section 4 -- CREDIT GUARANTEES FOR FINAL BILL PAYMENTS.
3. When the bill for electric service is in arrears.
4. Refusal of legitimate access to premises, damage to or loss of property of the Company on the Customer's premises for which the Customer is liable as provided under Section 5 -- METER READING AND BILLING.
5. Failure of the Customer to comply with the Commission's regulations, or other State, municipal or other governmental regulations covering electrical installations.

6. Violation by the Customer of any of the terms or conditions of service contained in the Company's electric service tariff or special electric service agreement on file with the Commission, or any other contractual obligation for service or facilities subject to regulation by the Commission, or in the Company's "Electric Service - Rules and Regulations."

At least five (5) days notice will be given to any non-residential Customer by the Company before discontinuation of service under these provisions (1) through (6). Residential Customers will be given additional notice as provided below.

Service to any Customer will be discontinued without notice for any condition determined by the Company to be hazardous; for Customer's use of equipment in such manner as to adversely affect the Company's equipment or the Company's service to other Customers; for tampering with equipment furnished and owned by the Company; or, for unauthorized use of service.

c. Residential Service Discontinuance

The Commission has issued regulations governing the termination of service to residential Customers. These are codified in the Consumer Bill of Rights. A copy of these regulations is available from either the Commission or the Company. Principal features of the Commission regulations are summarized below. The regulations should be reviewed for their provisions.

1. Reasons For Termination by the Company

- (a) Nonpayment of a delinquent account.
- (b) Failure to post a cash security deposit or guarantee of payment as stated in Section 4.
- (c) The Customer does not enter into a deferred payment plan or fails to comply with the terms of a deferred payment plan.
- (d) Unauthorized interference with or diversion of utility service on or about the Customer's premises.
- (e) Denial of Company access at reasonable times to the Customer's premises for the purpose of inspection, meter reading, maintenance or replacement when the Company has requested access in writing.
- (f) Creation of an unsafe condition or an adverse effect on the integrity of any energy delivery system, or violation of a government regulation or Commission-approved tariff provision.

- (g) Service is being used but no occupant or other person has applied for Customer status at the location.

2. Procedures for Termination of Service

A written notice of termination will be delivered by the Company in person or by mail to the Customer of record at least 15 days prior to the date of the proposed termination.

Where termination is for non-payment of bills, the Company will begin termination procedures only after reasonable attempts have been made to collect past-due bills using normal collection procedures, and at least one notice has been sent stating that the bill in question is past due, in addition to the notice of termination.

Special termination procedures apply to protect Customers who are (or households in which reside) persons that are handicapped, mentally impaired, elderly, seriously ill, or reliant upon life support equipment using electricity. Special procedures also apply during the winter months.

The Company offers a third-party notification procedure, whereby a copy of any notice of termination will be sent to any third party designated by the Customer. Such third party will not be obligated thereby to pay the bill.

The Company also offers alternate payment plans to Customers who may have difficulty paying bills on a current basis. See Section 8 – ALTERNATE PAYMENT PLANS.

d. Restoration of Service

Upon discontinuance of service, service may be restored to a Customer without re-application if:

1. the Customer originally requested that service be discontinued only for a scheduled period, not to exceed 12 months, and be restored thereafter; or,
2. the Customer within seven (7) days complies with the provision upon which service was discontinued by the Company and requests the Company to restore service.

When service is restored, the Customer shall pay a reconnection charge of \$35.00. Restoration of service to a Customer will be made as scheduled before disconnection; or if discontinued by the Company, upon request to the Company, normally within 24 hours after compliance

by the Customer with the provision upon which disconnection was based and after payment of all amounts past due to the Company plus the reconnection charge. The fee is not applicable to reconnections after disconnections for safety reasons, or in instances where the Customer was not the voluntary cause of the disconnection.

If restoration of service is not scheduled or requested as set forth herein, the account will be closed and service to the premises will remain terminated until the Company accepts a proper application therefor submitted pursuant to Section 3 - APPLICATION FOR ELECTRIC SERVICE.

For customers receiving service under Schedule "AE" – Residential All-Electric Service

Pursuant to Order No. 15134 issued December 9, 2008, for the period of January 1, 2009 through March 31, 2009, deposits will be assessed, but over a three month period, and not be required to be paid before reconnection. The reconnection charge will be assessed the month following the reconnection, rather than at the time of reconnection. An installment plan for the reconnection charge will be considered on a case-by-case basis. Customers are expected to pay their arrearage as a condition for reconnection. For customers who cannot afford to pay their full balance, but can make a substantial up-front payment toward their arrearage, either on their own or through assistance grants or fuel assistance, the Company will review the customer's prior payment history and attempt, in good faith, to reach a negotiated payment plan on the difference. If the Customer honors the terms of the payment plan, late payment charges and other collection actions will be suspended during the payment plan period. By Commission Order No. 15134, the Company's interim measures shall expire March 31, 2009. In addition, Order No. 15134 provides that as of April 1, 2009, the Company's approved tariff in effect prior to the Order shall apply to all customers without further notice.

10. SERVICE CONNECTIONSa. General

The Company's practice shall be to provide service connection facilities which, in its judgment, will assure to the Applicant or Customer safe, adequate and reasonable electric service to meet their requirements commensurate with accepted industry standards and practices.

A service connection will normally include those facilities installed by the Applicant or the Company on private property or within the vertical projection of the outermost structural component of the facility served, to the first terminal point for each service location at or in the building or facility to be served. This will also include facilities deemed necessary by the Company to interconnect existing or future Customers adjacent to the premises being served, as well as those facilities installed elsewhere and dedicated to connecting the Company's common distribution system to the point of termination of the Company's service conductors.

A normal service connection will be supplied in accordance with subsections a. through d. of this Section. The Company, upon request, to the extent reasonably practicable will supply a service connection in excess of or different from a normal installation consistent with the Company's practice set forth above ("Customer Plan"). Applicants shall furnish and install those items specified and shall contribute toward the Company's cost of furnishing and installing its facilities as specified in subsection e. of this Section.

All facilities installed by the Applicant which will be used to enclose, protect, support or provide termination for Company-owned facilities shall be approved by the Company.

The usual practice is for the Company to provide a single service connection. However, where the electrical demands of the service are too extensive for a single service connection to be practical multiple service connections may be required. When multiple connections are deemed necessary by the Company, the Applicant will shift load wherever practicable from one service location to another to more advantageously balance the loads.

Any relocation or alteration of Company-owned facilities may be made only with the approval of the Company and shall be at the expense of the party requesting the change or who is responsible therefore, if such change is occasioned by:

1. A request for relocation or alteration of such facilities, or
2. Structural changes on the premises served, or
3. Other private construction work being performed (or to be performed) which jeopardizes the safe and normal operation of existing electric facilities in the area.

When service to a premises is discontinued, the Company will leave any or all of its service connection facilities in place, if permitted to do so, when in the opinion of the Company the facilities are reasonably protected and are likely to be used again at that location within a reasonable time. Company-owned service connection facilities will be removed (or, if underground, abandoned at the option of the Company) upon request of the Owner or other proper party.

If the projected demand of the service connection requested by the Customer ("Customer Plan") is in excess of the projected demand of the Company Plan, in addition to paying a contribution in aid of construction for the local facilities, the Customer will be subject to the charges specified in Excess Facilities - Rider "EF". Under the terms of that Rider, a contract demand will be set equal to the difference between the projected kilowatt demand of the Customer Plan and the Company Plan. If the actual metered demand for that account reaches at least 90% of the Capacity of the Customer Plan for any twelve billing months within five years of the date that the facilities were installed, the Company will refund to the customer the contribution in aid of construction associated with those excess facilities and the amount collected through Rider "EF". A written contract with a minimum term of 5 years will be required for Customers taking service under Rider "EF". In the event that the Customer terminates service earlier than five years the Customer will be responsible for making the remainder of the payments in a lump sum.

b. Type of Service Provided

Service connections are categorized according to the structure served or purpose of the connection. These categories may not be the same as the classifications of Customers for rate schedule and billing purposes. The categories of service connections and type of service available in each category are:

1. Residential

This category shall include single family structures, townhouses, and multi-family structures (other) of not more than four (4) dwelling units per address and having a total load that will not exceed a demand (as determined by the Company) of 400 amperes at 120/240 or 120/208 volts single phase. Should the electrical demand from a structure containing more than one (1) dwelling unit exceed the 400 ampere limit, it shall be treated as "Commercial-Industrial" for purposes of service connection policy regardless of the rate schedule applicable to such service.

Each residential structure within this category shall be provided an individual service connection. The class of service will normally be single phase, three (3) wire, 60 Hertz (cycles per second), 120/240 volts or 120/208 volts. It is the Applicant's responsibility to obtain such designation. Upon request, the class of service for a particular structure will be designated in writing, valid for one (1) year.

For residential services, the Company's service conductors shall terminate at the meter or main disconnect device if served from

underground lines, or at the house rack or bracket if served from overhead lines. The Company's terminal equipment for service to a mobile home shall be permanently mounted near the mobile home's permanent foundation and not on any part of the mobile structure. For new residential construction, the normal service connection will be supplied underground and will terminate at the corner or along the face of the structure closest to the distribution system.

2. Temporary or Construction

Service connections within this category shall include those used for construction purposes regardless of duration, and any service connection the duration of which, in the judgment of the Company, is not of a permanent nature.

Temporary service connections will normally be low voltage and may be either overhead or underground. The Company will terminate its equipment in a manner appropriate to the type of service requested. However, the Company will not install a temporary service connection directly to mobile equipment.

3. Commercial-Industrial

This category shall include all service connections not specifically covered by the "Residential" and "Temporary or Construction" categories.

The class of service to be supplied the Customer or Applicant, including the design capacity of the service facilities, will be designated by the Company. Where the maximum Customer load for each structure being served is estimated to be less than 12 MVA, the class of service will normally be at a low voltage level (less than 13.2 kV). When requested, the Company will designate in writing the class of service to be supplied to the Applicant's premises to meet the Applicant's specific requirements. It is the Applicant's responsibility to obtain such designation from the Company; written class of service designations shall be valid for one (1) year. If the Applicant's requirements change, or if substantial Applicant construction is not commenced within one (1) year, it is the Applicant's responsibility to renew the class of service request to determine the Company's current designation.

The normal point of service shall be as close as practicable to the point of entry into the building served, as designated by the

Company. For new services, the service cable will normally be installed underground unless the Applicant's premises are such that the construction of underground liens would serve no aesthetic purpose.

When electric service is supplied at high voltage delivery levels (13.2 kV or above) primary cables will be furnished and installed by the Company, extending from its main line facilities to the Customer's main disconnecting device located at a point determined by the electrical and architectural design of the building or project and approved by the Company.

When electric service is furnished at secondary voltage delivery levels, transformers and associated protective equipment furnished by the Company are normally installed on poles or transformer pads on private property external to the building. The Company-supplied service conductors will terminate at the Customer's service equipment or the meter connection equipment, whichever is the first terminal point for each service location at or in the Customer's building or facility to be served; except, where the Applicant furnishes and installs service entrance cable (SEC) for overhead service, the Company-supplied facilities will terminate at the point of connection to the SEC adjacent to the point of attachment of the Company's service conductors to the structure served. These locations must be approved by the Company.

A secondary voltage delivery installation that does not meet the Company criteria service connection will be installed in the following circumstances:

1. Where there is no space on private property external to the building. At the option of the Company, transformers and/or associated protective equipment will be installed either underground in manholes, on private property or within the vertical projection of the outermost structural component of the building being served, constructed by the Applicant to meet Company specifications, or (2) on poles or in manholes provided or constructed by the Company in other public space. Such installations shall not be considered normal.
2. Where necessary to meet local requirements.
3. When, in the Company's judgement, transformers and associated protective equipment will be installed on or

inside the building in space furnished by the Applicant to meet Company specifications and such an installation is deemed to be better a better engineering practice. This type of installation is also not considered be normal.

c. Ownership

Except as expressly provided herein, the party furnishing a service connection facility will own, install and maintain it. Facilities for a normal service connection will be furnished as follows:

1. Residential

The Company will furnish, install and maintain the required service connection facilities including the meter, and will make all electrical connections in the Applicant's meter socket, both line and load. The Company will make approved meter sockets available for purchase and installation by the Applicant. Where the Applicant desires meter mounting equipment different from that furnished by the Company, the Applicant may furnish and install such equipment if approved by the Company. The Applicant may furnish conduit, subject to Company for advanced installation by the Applicant at the Applicant's cost for use under driveways, patios, sidewalks, walls or other obstructions or in advance of paving.

2. Temporary or Construction

The Applicant may at his option provide the design and any or all other facilities normally provided by the Applicant, subject to Company approval, for a commercial-industrial service connection. The Company will furnish, install and maintain all other service connection facilities provided, except that the Applicant shall furnish and install the meter mounting devices purchased from or approved by the Company, and the Applicant shall furnish and install any current transformer cabinets required.

3. Commercial-Industrial

The Applicant shall design, furnish, install, own and maintain all structural components located on private property or within the vertical projection of the outermost structural components of the building to be served. These structural components include all poles, trench, conduit, pads, manholes, rooms, raceways, lighting, ventilation, drainage, etc. required inside or outside the building to house or protect or support Company-owned electrical

components. The Company will make available for purchase, for the Applicant to install, own and maintain, poles, manhole frames, covers and grates for manholes needed for Company use.

The Applicant shall furnish, install and maintain metering current transformer compartments and meter mounting devices (meter mounting panels, meter sockets and transockets) for use with Company meters. The meter housing equipment and its installation must be approved by the Company. For certain standard installations, the Company may make such meter mounting devices and/or sockets available for purchase by the Applicant when installation will be on the line side of the main disconnect device.

For high voltage service, the Company will furnish as require, for installation by the Applicant, metering potential and current transformers, potential transformer fuses and/or fuse holders. The Company will furnish, install and maintain all high voltage meters.

For low voltage service, the Company will furnish as required, install and maintain all distribution transformers, all facilities on the line side of such transformers (except the structural components furnished by the Applicant as specified above), all secondary conductors to the point of service including service wires, cables and splices, etc. that are required to supply the electrical requirements of the facility being served, and all revenue meters and metering potential and current transformers.

d. Rights-of-Way and Easements

The Company may require the Applicant or current Customer at any time to furnish such suitable permits, rights-of-way or easements as are needed to supply service to that Applicant or Customer (including land surveys if requested by the Company) when Company facilities are to occupy or presently occupy property other than public space or that dedicated for utility use and to permit access for the operation and maintenance of the Company's electrical system.

Such permits, rights-of-way or easements must be furnished at no cost to the Company. The ground must be cleared and graded in reasonable time to meet service requirements. Such clearing and grading must be maintained by the Applicant during construction of the Company's facilities and grade maintained thereafter to provide adequate and appropriate depth of the facilities installed.

Where Company-supplied service connection facilities which are not located in public space, space dedicated for utility use, or pursuant to an appropriate and proper easement, will be relocated, removed or abandoned upon proper request by the owner of the property, or upon failure of the Customer to furnish a required easement, right-of-way or permit. If relocation of the affected portion is not permitted by all affected property owners, or if such suitable easement, right-of-way or permit is not furnished, the Company will remove or abandon the existing service connection facilities at Company expense and, where permitted, will install a new service connection at the expense of the Customer served. If relocation of the affected portion is permitted, the existing service connection facilities will be relocated to the extent necessary at the expense of the Customer served. However, a new service connection may be installed at the option of the Company, at the expense to the Customer of the estimated cost of the proposed relocation or the new service connection, whichever is less.

e. Charges For Service Connections

The Applicant or Customer shall pay to the Company the service connection charges or contributions-in-aid-of-construction specified below for normal and additional service connection installations and alterations thereto. Contributions and fees shall be grossed up for the estimated taxes to be levied on the contribution or fee, except where expressly noted below. Such fees or contributions are non-refundable. Facilities supplied by the Company which are the subject of such contributions shall remain the property of the Company.

1. Residential

The Company will install underground service for all new residential units. The connection fee for this service shall be \$0.50 per foot (with no taxes added to the fee). Footage shall be measured at right angles from the front property line to the face or corner of the building nearest the point at which the underground distribution system enters the property to be served. This face or corner will be considered the normal point of service connection. If the Applicant specifies a different service connection point, he shall pay the total estimated cost of the excess work.

If the Applicant requests that the Company provide facilities or an installation in excess of or different than those normally installed, or if such excess installation is required by local ordinance, the total estimated additional cost, based on standard underground

residential construction (URD) cost, shall be paid by the Applicant as a contribution-in-aid-of-construction. This contribution shall be in addition to any other service connection fee or contribution required under these "General Terms and Conditions". If the Applicant for a horizontally connected townhouse project requests that a service connection be provided to each unit, the primary distribution within the property will be provided at no cost and the fee will be based on the service lateral to each unit. To determine the length of the service lateral, the primary distribution feeder, or probable location thereof, will be considered to be the property line.

When an existing Customer increases the main disconnect capacity, a modified service connection, if required, shall be furnished and installed by the Company at no cost to the Customer for a normal service connection, provided the type of service connection (i.e. overhead or underground) and the point of service connection remains the same (or is modified solely to meet the requirements of local authorities). A modified service connection is not considered required if the existing service connection, in the judgment of the Company, is adequate to meet the Customer's electrical requirements. If the Customer requests that the required modified service connection be of a different type or to a different point, the Customer shall pay the estimated cost of the modified service connection less the estimated cost of furnishing and installing an adequate service connection of the existing type to the existing point. Relocation or alteration of a service connection or meter at the Customer's request when an increase in service connection capacity is not required will be done at the Customer's expense.

Where an existing service connection is modified, relocated or altered, or in other special circumstances, the Company will accommodate reasonable incidental requests by the Applicant or Customer to install the service connection around (or to restore if disturbed) existing improvements on the premises (such as patios, driveways, or ornamental shrubs or lawns); but the additional work to accommodate such incidental requests shall not be normal service and the estimated additional cost shall be borne by the Customer. The Company may refuse any such incidental request when, in the sole judgment of the Company, the request is for work requiring specialized equipment or skills or is unusually extensive.

2. Temporary or Construction

The Applicant shall pay to the Company a contribution-in-aid-of-construction, in the amount of the total estimated cost of furnishing and installing the Company-supplied temporary connection facilities and removing or abandoning the connection, less the salvage value of the material returned. However, the Applicant shall pay only the estimated labor cost to install and remove transformers. Where sufficient secondary distribution capacity exists to supply temporary or construction services, flat sum charges may be available. Where temporary facilities for which contributions have been made are retained in place for the permanent service connection to the premises, the Applicant shall receive appropriate credit against the contributions, fees and purchase price payable (under subsections (1) above or (3) below).

3. Commercial-Industrial

The Applicant shall pay to the Company a connection fee in the amount of the estimated cost to the Company of furnishing and installing those electrical and other components supplied by the Company for the normal portion of the Applicant's service connection which are classified in Accounts No. 369, 370 and 371 of the Uniform System of Accounts (excluding meters and meter testing), plus the estimated cost of service connection poles, manhole frames, covers or grates (if any) supplied by the Company. The Applicant shall make a contribution to the Company for the total estimated cost of constructing that portion of the service connection which does not meet the Company's criteria for a normal service connection (including the cost to design and build the structural service connection facilities and transformer and transformer switch manholes not furnished by the Applicant).

Where an existing service connection is modified or replaced, the Customer shall make a contribution to the Company for the total estimated cost of any alterations by the Company for the Customer to those service connection facilities for which a fee or contribution to the Company would apply if supplied as part of a new service connection.

If in the opinion of the Company no space is available for a normal low voltage service connection pursuant to Section 10.b (3), then a one-time credit against service connection fees or contributions shall be allowed for (1) the initial service connection to a new building, or (2) the initial increase in capacity of an

existing service connection for which no previous credit was extended. This credit will only be applicable where the new or increased low voltage service connection requires the construction of a new manhole (or newly adapted space inside the building) for the Company's transformer and/or associated protective equipment. This one time credit shall be the lesser of (1) the estimated current cost to the Company of constructing a typical 6 feet by 18 feet transformer manhole, (2) if the service transformer is not located inside the building, the estimated cost to the Company of constructing the most expensive new transformer manhole for that service connection, or (3) the sum of the Applicant's or Customer's service connection contributions and fees with respect to the new or increased service connection.

4. Change In Class of Service

Where the Applicant requests a class of service available but different from that designated by the Company under Section 10.b above, the Applicant or Customer shall make a contribution to the Company for the additional cost incurred by the change. This contribution shall be in addition to any other service connection fees or contributions required under these "General Terms and Conditions."

11. EXTENSIONS OF THE DISTRIBUTION SYSTEM

a. General

When the existing distribution system must be extended to reach the service connection or connections (see Section 10 -- SERVICE CONNECTIONS), the extension will be made in accordance with the following requirements. Contributions-in-aid-of-construction, including taxes, shall be calculated as for service connections (Section 10.e) in accordance with the costs specified below.

1. For a residential service connection the extension will normally be made underground, at no cost to the Applicant, provided such extension does not exceed 200 feet from the point of connection with the existing distribution system. If an underground extension in excess of 200 feet is necessary, the Applicant may be required to contribute the estimated difference in cost of underground and overhead construction. An overhead extension, if permitted, will be made at no cost to the Applicant.
2. Any temporary extension of the distribution system necessary to reach a temporary service connection shall normally be considered part of the service connection. A permanent extension installed, for example, to supply a temporary Customer in the course of constructing a permanent structure which will require service, shall be made in accordance with the policy applicable to the structure(s) to be served.
3. To reach a commercial-industrial Applicant, the extension along public highways will be made at no cost to the Applicant, except where land use is restricted to the Applicant or is otherwise unavailable for further development or where, in the judgment of the Company, no other Customers will be served from the extension. Where such exceptions exist, the Applicant will contribute the estimated cost of the extension. (See Section 12.b)

4. Where, 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 subdivision where service will not be connected for at least two (2) years, then the Company may require the Applicant to make a reasonable deposit to cover the non-developed section or sections before construction is commenced.
 - (a) The deposit, without interest, shall be returned to the Applicant on a proportional basis per lot as each new Customer in the originally non-developed section or sections receives its permanent service connection.
 - (b) Any portion of a deposit remaining unrefunded ten (10) years from the date the Company is first ready to render service from the extension will be retained by the Company.
5. The Applicant shall furnish the Company suitable permits, rights-of-way or easements, including land surveys if required by the Company, for all distribution extension facilities located on private property.

b. Revised Customer Requirements

In the event that the Company, relying upon the service requirements specified by the Applicant, designs, furnishes and/or installs distribution facilities and then, due to the Applicant's or Customer's revised requirements, some or all of such Company designed distribution facilities are not required or are replaced with less than two (2) years in service, the Applicant or Customer shall make a contribution to the Company for the Company's estimated cost incurred to design, furnish, install and remove such facilities, as the case may be, less credit for salvage or other Company use in place.

12. CHARGES FOR RETAIL CUSTOMER BILLING AND CONSUMPTION DATA REQUESTS**

a. General

The Company provides 12 months of historical non-interval usage data on each Customer's monthly billing statement free of charge.

b. Additional Requests for Usage Data in Electronic Format

1. Historical Consumption Request - Non-interval Data

- (a) The fee in (c) below will be charged on all usage requests except those associated directly with an EDI enrollment transaction.
- (b) 12 continuous months data are provided for each account included in a request.
- (c) The fee of \$110 per request covers the first 100 accounts. \$1.00 will be charged for each account requested above 100 accounts.
- (d) Consumption data may only be available for up to the last 24 months of usage history.
- (e) Requests must be in an EXCEL™ compatible format.

2. Historical Consumption via EDI - Non-interval Data

- (a) The fee in (d) below will be charged on all usage requests via EDI except where the usage request is associated directly with an EDI enrollment transaction.
- (b) The requesting entity must have successfully completed EDI testing with the Company prior to making the request.
- (c) The last 12 consecutive months of usage data will be provided.
- (d) Each usage request will be billed at \$.054 per account.

** These charges apply to Customers requesting data or other parties requesting Customer data with Customer consent.



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3. Historical Consumption Request - Interval Data
 - (a) The fee in (b) below will be charged on all usage requests except those associated directly with an EDI enrollment transaction.
 - (b) For each month of account interval usage provided, the Customer will be charged \$8.00.
 - (c) Usage cannot be provided beyond the last 24 months of billing date.
 - (d) Requests must be in an EXCEL™ compatible format. G

13. STANDARD OFFER SERVICE

a. General

The District of Columbia Public Service Commission has issued orders governing the provision of Standard Offer Service (SOS).

The Company provides Standard Offer Service if the Customer:

- a) contracts for electricity with an electricity supplier, but the electricity supplier fails to deliver the electricity under the contract;
- b) cannot arrange for electricity from an electricity supplier;
- c) does not choose an electricity supplier, or
- d) chooses to receive SOS from the Company.

For the service periods for each type of SOS described in this section, no fee is charged when changing service providers.

The first SOS period begins February 8, 2005 and ends May 31, 2006. The second SOS period, beginning June 1, 2006, and all subsequent service periods will extend annually from June 1 to May 31, unless modified by Commission order.

New Residential and Non-Residential Customers shall receive SOS for their first billing period and until the customer selects a competitive supplier.

Residential customers may switch from SOS to competitive suppliers and return to SOS without restrictions.

Non-Residential Customers that return to SOS because of supplier default will have a grace period of 3 full billing cycles to select another competitive supplier or elect to receive MPS from Pepco. A supplier default occurs when the PJM Interconnection L.L.C. has notified PJM members that the supplier is in default.

Non-Residential Customers returning to SOS will be subject to a 12-month minimum stay requirement, which 12-month period shall begin on the date such customer returns to SOS, unless such return is caused by supplier default.

The terms and conditions governing the provision of SOS, and Market Price Service (MPS) for Customers served on the Company's various Rate Schedules are stated in this Section. MPS is described in more detail in Standard Offer Service – "Rider SOS" contained in the Company's Rate Schedules.

Residential SOS, Small Commercial SOS, Large Commercial SOS, and MPS are subject to the terms and conditions of the Company's tariffs and the District of Columbia Public Service Commission orders and regulations. If tariff provisions conflict with Commission orders or regulations, the orders or regulations shall be controlling.

b. Residential SOS

All Residential Customers served on Schedules "R", "AE", "RTM", "RTM-EX" and associated Riders are eligible for Residential SOS. The Company will provide Residential SOS service from February 8, 2005 through May 31, 2011 or as authorized by the District of Columbia Public Service Commission.

c. Small Commercial SOS

For Customers served on Schedules "GS ND", "T", "SL", "SL-TN", "TN", and "TS", Pepco will provide Small Commercial SOS from February 8, 2005 through May 31, 2011 or as authorized by the District of Columbia Public Service Commission.

d. Large Commercial SOS

For Customers served on Schedules "GS LV", "GS 3A", "GT LV", "GT 3A", "GT 3B" and "RT", the Company will provide Large Commercial SOS from February 8, 2005 through May 31, 2007, or as authorized by the District of Columbia Public Service Commission.

e. Market Price Service (MPS)

Customers who cease to receive Generation Services from a competitive supplier in the District of Columbia portion of the Company's Service area may elect to receive generation services from the Company at Market Price Service (MPS) rates. MPS is a variable priced service option, where the rates change hourly.

Any minimum stay provisions shall not apply to customers receiving MPS. The terms and conditions governing the provision of MPS are contained in the Company's Rate Schedules under Standard Offer Service – Rider "SOS".

f. Customer Termination of Standard Offer Service and Switch to a Competitive Electricity Supplier

A Customer may leave Standard Offer Service and obtain electricity from a competitive electricity supplier after meeting any minimum stay requirements and subject to the provisions stated herein.

Notice shall be provided by the competitive electricity supplier to the Company of the Customer's switch to a competitive electricity supplier. The notice shall be subject to and effective in accordance with Commission-approved supplier coordination tariffs.

When transferring out of Standard Offer Service, if the Company receives notice of an enrollment transaction from a competitive electricity supplier no less than seventeen (17) days before the Customer's next regularly scheduled meter read date, the Company shall transfer the Customer on the Customer's next regularly scheduled meter read date.

If the notice of a Customer's enrollment from a competitive electricity supplier provides less than seventeen (17) days notice before the Customer's next regularly scheduled meter read date, the transfer date shall be the second regularly scheduled meter read date after the date of the notice.

g. Customer Termination of a Competitive Electricity Supplier and Switch to another Competitive Electricity Supplier

A Customer may terminate service with a competitive electricity supplier and obtain electricity from another competitive electricity supplier after meeting the competitive supplier's terms and conditions to terminate service.

Notice shall be provided by the competitive electricity supplier to the Company of the Customer's switch to another competitive electricity supplier. The notice shall be subject to and effective in accordance with Commission-approved supplier coordination tariffs.

When transferring from one competitive electricity supplier to another competitive electricity supplier, if the Company receives notice of an enrollment transaction from a competitive electricity supplier no less than seventeen (17) days before the Customer's next regularly scheduled meter read date, the

Company shall transfer the Customer on the Customer's next regularly scheduled meter read date.

If the notice of a Customer's enrollment from a competitive electricity supplier provides less than seventeen (17) days notice before the Customer's next regularly scheduled meter read date, the transfer date shall be the second regularly scheduled meter read date after the date of the notice.

h. Customer Termination of a Competitive Electricity Supplier and Switch to Standard Offer Service

When transferring to Standard Offer Service, if the Customer provides the Company with notice no less than seventeen (17) days before the Customer's next regularly scheduled meter read date, the Company shall transfer the Customer to Standard Offer Service on the Customer's next regularly scheduled meter read date.

If the Customer provides notice less than seventeen (17) days before the next regularly scheduled meter read date, the Company shall transfer the Customer to Standard Offer Service on the second regularly scheduled meter read date following the date of the notice.

If the Customer is subject to an involuntary transfer to Standard Offer Service, the Customer shall receive Standard Offer Service effective on the date on which PJM transfers responsibility for supplying that Customer's electricity to the Standard Offer Service provider.

i. Termination of Service by Standard Offer Service Provider

Terminations of Standard Offer Service shall be carried out in accordance with the provisions stated in Pepco's General Terms and Conditions and the D.C. Consumer Bill of Rights.

j. Calculation of Bill for transfers

A Customer's billing cycle begins and ends on a meter read date.