

SERVICE CLASSIFICATION NO. 5 (Continued)**SPECIAL PROVISIONS:** (Continued)**A. Interconnection Costs** (Continued)

costs will be determined by the Company and shall include costs of connection, switching, metering, distribution, safety provisions and administrative costs, including engineering and feasibility studies, incurred by the Company to interconnect with the qualifying facility to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the customer taken firm service. The customer may elect to reimburse the Company for these interconnection costs in one lump sum or to reimburse the Company over a period of time not to exceed five years. The interest rate for such an installment plan shall be the Company's rate of return on common equity last approved by the Commission.

B. Excess Demand Penalty

For each kW of maximum monthly demand taken in excess of the Contract Demand level, the customer shall pay a penalty as follows:

- 1) If the excess demand is equal to or less than 10% of the contract level - twelve times the monthly Contract Demand Charge; or
- 2) If the excess demand is greater than 10% of the contract level twenty-four times the monthly Contract Demand Charge.

C. Mediation

The customer shall have the right to seek Commission mediation on any of the above provisions, should the customer and Company not be able to agree. The Commission may designate Staff to consult with the parties. Any recommendations of Staff as to solutions of disagreements are not binding upon the parties.

ISSUED: April 15, 1999

EFFECTIVE: May 1, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
Milford, Pennsylvania