

November 26, 2019

610-929-3601

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Metropolitan Edison Company Tariff Electric Pa. P.U.C. No. 52 – Universal Service Charge Rate Update

Dear Secretary Chiavetta:

In accordance with the Order dated January 11, 2007 approving the *2006 General Rate Case of Metropolitan Edison Company and Pennsylvania Electric Company* at Docket Nos. R-00061366 and R-00061367 respectively, enclosed for filing is Supplement No. 76. Supplement No. 76 reflects the computation of the Universal Service Charge under Metropolitan Edison Company's ("Met-Ed") Tariff Electric Pa. P.U.C. No. 52, proposed to be effective January 1, 2020.

This filing adjusts Met-Ed's Universal Service Charge consistent with the provisions of Met-Ed's Universal Service Cost Rider. Exhibit A accompanying this filing provides details of the computation of the rate.

Sincerely,



Joanne M. Savage
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Lori Burger — Bureau of Audits (lburger@pa.gov)
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METROPOLITAN EDISON COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 10 of this Tariff**

Issued: November 26, 2019

Effective: January 1, 2020

**By: Samuel L. Belcher, President
Reading, Pennsylvania**

NOTICE

This Supplement No. 76 makes changes to Rider C.
See Seventy-Third Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider C – Universal Service Cost Rider rates have been changed and decreased (See Fifth Revised Page 110).

RIDERS

RIDER C

UNIVERSAL SERVICE COST RIDER

Universal Service Charge (“USC”) shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under residential retail rate schedules under this Tariff, determined to the nearest one-thousandth of a cent per kilowatt-hour. The USC shall be non-bypassable.

For service rendered January 1, 2020 through December 31, 2020 the USC shall be equal to 0.414 cents per kWh for all kWh. The USC shall be included in the distribution charges of the monthly bill. (C)
(D)

The USC shall be calculated in accordance with the formula set forth below:

$$USC = [(US_C/S_{Res}) - (E/S_{Res})] \times [1/(1-T)]$$

Where:

USC = The charge in mills per kilowatt-hour to be applied to each kilowatt-hour delivered to all Customers served under residential retail rate schedules under this Tariff.

US_c = Universal Service Program Costs, which are the estimated direct, indirect and administrative costs to be incurred by the Company to provide Universal Service to Customers for the USC Computational Year for the following programs (“Universal Service Programs”):

- Customer Assistance and Referral for Evaluation of Services (“CARES”) Program
- Customer Assistance Program (“CAP”)
- Fuel Fund Administration
- Gatekeeper Program
- WARM (formerly LIURP) Program
- Any other replacement or Commission-mandated Universal Service Programs.

S_{Res} = The Company’s projected retail kilowatt-hour sales for the projected USC billing period for Customers served under residential retail rate schedules under this Tariff.

(C) Change
(D) Decreased

METROPOLITAN EDISON COMPANY
Computation of Proposed Universal Service Charge
For the Twelve Months Ending December 31, 2020

Line No.	Description	Amounts
	Universal Service Charge = $[(USc/Sres) - (E/Sres)] \times [1/(1-T)]$	
1	USc = Projected Universal Service Program Costs (See Schedule 2)	\$ 23,070,537
2	Sres = Projected kWh Sales for Customers Served Under Residential Retail Rate Schedules during USC Billing Period (See Schedule 3)	5,464,463,416 kWh
3	E = Cumulative Prior Reconciliation Periods' Net Over / (Under) Collections (See Schedule 7)	\$ 1,746,245
4	USc/Sres (Line 1/Line 2)	\$ 0.00422 per kWh
5	E/Sres = Reconciliation Component (Line 3/Line 2)	<u>\$ 0.00032</u> per kWh
6	(USc/Sres) - (E/Sres) (Line 4 - Line 5)	\$ 0.00390 per kWh
7	1/(1-T): (T = 5.90% Pa Gross Receipts Tax in Base Rates)	<u>1.062699</u>
8	USC = Universal Service Charge (Line 6 X Line 7)	<u><u>\$ 0.00414</u></u> per kWh

METROPOLITAN EDISON COMPANY
Projected Universal Service Program Costs
For the Twelve Months Ending December 31, 2020

Line No.	Description	Amounts
1	Met-Ed Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 5,500
2	Met-Ed Customer Assistance Program ("P CAP") Costs	17,546,037
3	Met-Ed Fuel Administration Costs	75,000
4	Met-Ed Gatekeeper Program Costs	2,000
5	Met-Ed WARM (formerly LIURP) Program Costs	<u>5,442,000</u>
6	Total Projected 2020 Universal Service Program Costs (Lines 1 through 5)	<u><u>\$ 23,070,537</u></u>

METROPOLITAN EDISON COMPANY
Forecasted Kilowatt-Hours Applicable to Universal Service Charge
For the Twelve Months Ending December 31, 2020

Line No.	Month	kWh
1	January 2020	571,315,495
2	February 2020	571,301,025
3	March 2020	521,167,033
4	April 2020	425,006,711
5	May 2020	348,039,244
6	June 2020	386,770,391
7	July 2020	480,333,200
8	August 2020	521,630,322
9	September 2020	461,776,101
10	October 2020	360,878,778
11	November 2020	357,607,841
12	December 2020	<u>458,637,275</u>
13	Total for Twelve Months Ending December 31, 2020	<u><u>5,464,463,416</u></u>

METROPOLITAN EDISON COMPANY
Universal Service Charge ("USC") Reconciliation Statement
For the USC Reconciliation Year Ended October 31, 2019

Line No.	Month	USC Revenues Applied to Current Month's Costs Excluding PA GRT (1)	Universal Service Program Costs for Month (A) (2)	Monthly Over / (Under) Collection (3) = (1) - (2)	Annual Interest Rate Per 41 P.S. § 202 (4)	Monthly Interest Rate (5) = (4) / 12	Number of Months to Mid-Point of Next USC Rate Billing Period from Current Month (B) (6)	Interest Amount on Monthly Over / (Under) Collection (7) = (3) X (5) X (6)	Cumulative Over / (Under) Collections and Interest (8)
1	November 2018	\$ 1,418,489	\$ 1,666,419	\$ (247,930)	6.0000%	0.5000%	20	\$ (24,793)	\$ (272,723)
2	December 2018	1,881,657	2,106,162	(224,505)	6.0000%	0.5000%	19	(21,328)	(518,556)
3	January 2019	2,264,668	1,414,033	850,635	6.0000%	0.5000%	18	76,557	408,636
4	February 2019	2,440,035	1,498,239	941,796	6.0000%	0.5000%	17	80,053	1,430,485
5	March 2019	2,212,934	2,011,314	201,620	6.0000%	0.5000%	16	16,130	1,648,235
6	April 2019	1,774,688	1,418,390	356,298	6.0000%	0.5000%	15	26,722	2,031,255
7	May 2019	1,435,376	1,763,169	(327,793)	6.0000%	0.5000%	14	(22,946)	1,680,516
8	June 2019	1,605,613	2,086,994	(481,381)	6.0000%	0.5000%	13	(31,290)	1,167,845
9	July 2019	2,083,865	1,601,074	482,791	6.0000%	0.5000%	12	28,967	1,679,603
10	August 2019	2,436,068	1,558,066	878,002	6.0000%	0.5000%	11	48,290	2,605,895
11	September 2019	2,017,511	2,023,503	(5,992)	6.0000%	0.5000%	10	(300)	2,599,603
12	October 2019	1,604,064	1,405,914	198,150	6.0000%	0.5000%	9	8,917	2,806,670
13	Reconciliation year ended October 31, 2019	<u>\$ 23,174,968</u>	<u>\$ 20,553,277</u>	<u>\$ 2,621,691</u>				<u>\$ 184,979</u>	<u>\$ 2,806,670</u>

(A) See Met-Ed Exhibit A, Schedule 5 for supporting details.

(B) Mid-point of the next USC Rate Billing Period is June 30, 2020 during which the net over / (under) recoveries, including interest, for the USC Reconciliation Year ended October 31, 2019 will be refunded to / (recouped from) Met-Ed customers served under residential retail rate schedules.

METROPOLITAN EDISON COMPANY
Recoverable Universal Service Program Costs
For the USC Reconciliation Year Ended October 31, 2019

Details of Universal Service Program Costs

Line No.	Description of Universal Service Program Costs	November	December	January	February	March	April	May	June	July	August	September	October	12 Months Ended
		2018	2018	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Met-Ed Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 43	\$ 52	\$ 44	\$ 182	\$ 43	\$ 43	\$ 316	\$ 81	\$ 2,717	\$ 863	\$ 2,049	\$ 1,329	\$ 7,762
2	Met-Ed Customer Assistance Program ("CAP") Costs	1,359,667	1,264,789	1,380,427	1,204,499	1,445,903	1,149,715	1,471,522	1,296,843	1,214,477	1,170,833	1,223,824	1,097,455	15,279,954
3	Met-Ed Fuel Fund Administration Costs	262	446	30,197	70	140	122	104	209	70	314	296	315	32,545
4	Met-Ed Gatekeeper Program Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Met-Ed WARM (formerly LIURP) Program Costs	306,447	840,875	3,365	293,488	565,228	268,510	291,227	789,861	383,810	386,056	797,334	306,815	5,233,016
6	Reconciliation Year Cost Adjustment (A)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Universal Service Program Costs for the Month (Lines 1 through 6)	<u>\$ 1,666,419</u>	<u>\$ 2,106,162</u>	<u>\$ 1,414,033</u>	<u>\$ 1,498,239</u>	<u>\$ 2,011,314</u>	<u>\$ 1,418,390</u>	<u>\$ 1,763,169</u>	<u>\$ 2,086,994</u>	<u>\$ 1,601,074</u>	<u>\$ 1,558,066</u>	<u>\$ 2,023,503</u>	<u>\$ 1,405,914</u>	<u>\$ 20,553,277</u>

(A) See Schedule 6 for computation of Reconciliation Year Cost Adjustment pursuant to Met-Ed Universal Service Cost Rider.

METROPOLITAN EDISON COMPANY
Recoverable Universal Service Program Costs

Cost Offset to October 2019 Universal Service Costs to Reflect Met-Ed's Universal Service Cost Rider Adjustment for Increase in CAP Participants Through the End of the Reconciliation Year (12 Months Ended October 31)

Line No.		CAP Customer Counts at Respective Month's End
1	Participant level per Met-Ed Joint Petition for Partial Settlement of Rate Investigation at Docket No. R-2016-2537349	16,700
2	Month-end CAP Participants November 2018	15,144
3	Month-end CAP Participants December 2018	14,927
4	Month-end CAP Participants January 2019	14,737
5	Month-end CAP Participants February 2019	14,666
6	Month-end CAP Participants March 2019	14,722
7	Month-end CAP Participants April 2019	14,696
8	Month-end CAP Participants May 2019	14,400
9	Month-end CAP Participants June 2019	14,000
10	Month-end CAP Participants July 2019	13,939
11	Month-end CAP Participants August 2019	13,765
12	Month-end CAP Participants September 2019	13,523
13	Month-end CAP Participants October 2019	13,347
14	Average Month-end CAP Participants for the 12 months ended October 31, 2019	14,322
15	Number of CAP Participants that exceeds the average allowed participant level, if less than zero enter 0 (Line 14 - Line 1)	0
16	CAP credits and Pre-Program Arrearage Forgiveness Credits for the 12 months ended October 31, 2019	\$ 13,863,176
17	CAP credits and Pre-Program Arrearage Forgiveness Credits per participant (Line 16 / Line 14)	\$ 968
18	Offset by 15%	\$ (145)
19	Adjustment to October 2019 Met-Ed Universal Service Costs to Reflect Cost Adjustment per Met-Ed Universal Service Cost Rider (Line 15 x Line 18)	\$ -

**METROPOLITAN EDISON COMPANY
USC E-Factor Revenues**

**Details of Revenues Applied to Prior Universal Service Charge Reconciliation Years'
Cumulative Over / (Under) Collections and Cumulative Remaining Prior Reconciliation Periods' Over /
(Under) Collections to be Reflected in the 2020 USC Rate**

Line No.	Month	USC Period Revenues Applied (Excluding PA GRT)	Cumulative Over / (Under) Collections Including Interest for the USC Reconciliation Year Ended October 31 2019	Cumulative Remaining Prior Reconciliation Periods' Over / (Under) Collections Including Interest
		(1)	(2)	(3)
1	Beginning Balance at October 31, 2018			\$ (326,195)
2	November 2018	\$ (293,612)		(619,807)
3	December 2018	(389,483)		(1,009,290)
4	January 2019	(299,998)		(1,309,288)
5	February 2019	31,630		(1,277,658)
6	March 2019	31,689		(1,245,969)
7	April 2019	25,413		(1,220,556)
8	May 2019	20,554		(1,200,002)
9	June 2019	22,992		(1,177,010)
10	July 2019	29,841		(1,147,169)
11	August 2019	34,884		(1,112,285)
12	September 2019	28,890		(1,083,395)
13	October 2019	<u>22,970</u>	<u>\$ 2,806,670</u> (A)	1,746,245
14	Totals November 1, 2018 through October 31, 2019	<u>\$ (734,230)</u>	<u>\$ 2,806,670</u>	

(A) From Schedule 4, Column 8, Line 13