

January 16, 2020

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81 – Rate
Changes in Compliance with Pennsylvania Electric Company’s Default Service
Plan, Docket No. P-2017-2637857**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 92 to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 81, which bears an issue date of January 16, 2020. The tariff changes contained in Supplement No. 92 are proposed to be effective with service rendered on or after March 1, 2020.

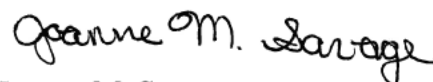
The purpose of this supplement is to reflect: (1) default service rate changes for the Residential Class served under the Price to Compare Default Service Rider; and (2) default service rate changes for the customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission’s Order entered September 4, 2018 at Docket No. P-2017-2637857.

As support for the rate changes, the following schedules accompany this tariff filing:

- Schedule 1 provides supporting details for the changes to the Hourly Pricing Default Service Reconciliation Charge rate contained in the Hourly Pricing Default Service Rider.
- Schedule 2 provides supporting details for the changes to the Residential Class’s default service rates stated in the tariff’s Price to Compare Default Service Rate Rider.

If you have any questions regarding the enclosed documents, please contact me.

Sincerely,



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

Enclosures

c: Certificate of Service
Paul Diskin, TUS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs :
: **Docket No. P-2017-2637855, et al.**
:
:
:
:

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the foregoing documents of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

Service by e-mail as follows:

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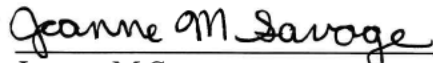
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PENNSYLVANIA ELECTRIC COMPANY
READING, PENNSYLVANIA

Electric Service Tariff
Effective in
The Territory as Defined on
Page Nos. 8 - 15 of this Tariff

Issued: January 16, 2020

Effective: March 1, 2020

By: Samuel L. Belcher, President
Reading, Pennsylvania

NOTICE

Supplement No. 92 makes changes to Riders H and I.
See Eighty-Ninth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider H – Price to Compare Default Service Rate Rider rates have been changed and decreased (See Twenty-First Revised Page 136).

Rider I – Hourly Pricing Default Service Rider service rates have been changed and increased (See Twenty-Second Revised Page 145).

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) shall be applied to each kWh of Default Service that Penelec delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered March 1, 2020 through May 31, 2020 the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium (PTC), Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

\$0.05998 per kWh.

Residential Customer Class (Rate RS and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$0.05404 per kWh

(D)

(C) Change
(D) Decrease

RIDERS

Rider I (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penelec delivers to customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered March 1, 2020 through May 31, 2020, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$0.05236 per kWh (I)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending January 31st, April 30th, July 31st, and October 31st) to be effective for the three-month period beginning on the first day of the second calendar month following the end of that Default Service Quarter (March 1st, June 1st, September 1st and December 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = [((DS_{HPExp1} + DS_{HPExp2} + DS_{HPExp3}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}] \times [1 / (1 - T)]$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2019 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2023 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C) Change

(I) Increase

Pennsylvania Electric Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period March 1, 2020 through May 31, 2020

**Line
No.**

	HP Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth}) \times \text{HP}_{\text{Loss Multiplier}}$	
1	$\sum (\text{kWh}_t \times$	kWh for each hour in billing period
2	$(\text{LMP}_t + \text{HPOth})$	LMP = Real Time PJM Load Weighted average LMP for PN Zone for each hour
3		HP _{Oth} = \$.004 per kWh for Ancillary Services
4	<hr/> HP Energy Charge (Line 1 x Line 2)	t = An hour in the Billing Period
5	x HP Loss Multiplier	GS Small, Medium, and Large = 1.0573 GP = 1.0234 LP = 1.0035
6	<hr/> HP Energy Charge (Line 4 x Line 5)	
	HP Cap-AEPS-Other Purchases (\$/MWh)	Price
7	January 2019 (June 19 through May 20)	\$ 15.02 \$/MWh
8		\$ 0.01502 per kWh
9	x HP Loss Multiplier	GS Small, Medium, and Large = 1.0573 GP = 1.0234 LP = 1.0035
10	<hr/> HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
11	HP Administrative Charge	\$ 0.00008 per kWh
12	HP Uncollectibles Charge	\$ 0.00100 per kWh
13	HP Reconciliation Charge	<hr/> \$ 0.05236 per kWh
14	Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)	<hr/> \$ x.xxxxx

- (A) All Hourly Pricing Service Charge computations will be pursuant to the terms of the Company's "Hourly Pricing Default Service Rider".
- (B) All Adders are subject to Quarterly Updates

Pennsylvania Electric Company
Computation of Industrial Class Hourly Pricing Default Service Rate Reconciliation Factor
Rate Effective March 1, 2020 through May 31, 2020

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of December 31, 2019 (See Page 3, Line 17)	\$ 2,037,433
2	Projected Industrial Class kilowatt hour sales - March 1, 2020 - May 31, 2020 (Line 11)	12,406,139 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.16423 per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>30.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ 0.04927 per kWh
6	PA Gross Receipt Gross-Up [$1/(1-T)$] (5.9% Gross Receipts Tax)	<u>1.062699</u>
7	Industrial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)	<u>\$ 0.05236 per kWh</u>

Projected Industrial Class kilowatt hour sales March 1, 2020 through May 31, 2020

8	Mar-20	4,176,505
9	Apr-20	4,151,309
10	May-20	<u>4,078,324</u>
11	Total Projected Industrial Class kWh Sales	<u>12,406,139</u>

Pennsylvania Electric Company
Industrial Class Hourly Pricing Default Service Rate Reconciliation
October 1, 2019 through December 31, 2019

Line No.	Description	Oct-19	Nov-19	Dec-19
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 1,658,453	\$ 1,653,968	\$ 1,776,112
2	Gross Default Service Plan Revenues	\$ 838,604	\$ 569,781	\$ 755,599
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>49,478</u>	<u>33,617</u>	<u>44,580</u>
4	PTC _{HPR} Rev Net Default Service Plan Revenues	\$ 789,126	\$ 536,164	\$ 711,018
5	Plus: Prior Period E-factor Amortization	\$ (104,693)	\$ (104,692)	\$ (552,818)
6	Revenue Available for Current Deferral	\$ 684,433	\$ 431,472	\$ 158,200
7	Less: Revenue Allocated to Uncollectibles, net of GRT	<u>\$ 11,865</u>	<u>\$ 8,125</u>	<u>\$ 9,973</u>
8	Revenue Available for Current Deferral	\$ 672,568	\$ 423,347	\$ 148,227
	<u>Expenses</u>			
9	DS _{HPE} Exp1 Amortization of Start Up Costs	\$ -	\$ -	\$ -
10	DS _{HPE} Exp2 Cost to provide Default Service	770,262	645,350	948,118
11	DS _{HPE} Exp2 Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
12	Total Expenses	\$ 770,262	\$ 645,350	\$ 948,118
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ 97,694	\$ 222,003	\$ 799,891
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	4.75%	4.75%	4.75%
16	DS _{Int} Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/14))	<u>\$ 2,514</u>	<u>\$ 4,833</u>	<u>\$ 14,248</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ 1,653,968</u>	<u>\$ 1,776,112</u>	<u>\$ 2,037,433</u>

Pennsylvania Electric Company
Price to Compare Default Service Rate Calculation
Residential Class: For the Default Service Period March 1, 2020 through May 31, 2020

**Line
No.**

	Number of	Clearing	Weighted	
	Tranches	Price	Clearing	
			Price	
	<u>Fixed Price Tranche Purchases (\$ per MWh)</u>			
1	October 2018 Auction (June 19 through May 20)	3	50.61	\$ 151.83
2	October 2018 Auction (June 19 through May 21)	2	49.47	\$ 98.94
3	January 2019 (June 19 through May 20)	3	52.63	\$ 157.89
4	January 2019 (June 19 through May 21)	3	51.74	\$ 155.22
5	April 2019 (June 19 through May 20)	3	51.00	\$ 153.00
6	April 2019 (June 19 through May 21)	3	50.45	\$ 151.35
7	Total	17		\$ 868.23
8	Total Average Fixed Price Tranche		\$ 51.07	
9	Times Fixed Portion of Load		<u>95%</u>	
10	Total Fixed Price Cost (Line 8 X Line 9)			\$ 48.52
11	Average Variable Hourly Price Tranche		\$23.78	
12	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)		<u>20.00</u>	
13	Variable Hourly Priced Cost (Line 11 + Line 12)		\$ 43.78	
14	Times Variable Portion of Load		<u>5%</u>	
15	Total Variable Hourly Priced Cost (Line 13 X Line 14)			\$ 2.19
16	Price to Compare Weighted Average Price ((Line 10 + Line 15) / 1000)			\$ 0.05071
17	Times PTC Loss _{Current}			<u>1.0573</u>
18	Price to Compare Weighted Average Price, including line losses (Line 16 X Line 17)			\$ 0.05361 <i>per kWh</i>
19	PTC _{Administrative Charge}			<u>\$ 0.00004</u> <i>per kWh</i>
20	PTC _{Current} before PA Gross Receipts Tax (Line 18 + Line 19)			\$ 0.05365
21	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]			<u>1.062699</u>
22	PTC_{Current} Residential Class including PA Gross Receipts Tax (Line 20 X Line 21)			\$ 0.05702 <i>per kWh</i>
23	E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 8)			\$ (0.00298) <i>per kWh</i>
24	PTC_{Default} Residential Class (Line 22 + Line 23)			\$ 0.05404 <i>per kWh</i>

(A) All Price to Compare computations will be pursuant to the terms of the Company's "Price to Compare Default Service Rate Rider"

(B) All Adders are subject to Quarterly Updates

Pennsylvania Electric Company
Computation of Residential Class Price to Compare Default Service Rate Reconciliation Factor
Rate Effective March 1, 2020 through May 31, 2020

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of December 31, 2019 (See Page 3, Line 15)	\$ 7,892,146
2	Adjustment for projected Residential Class (Over) / Under Collection through May 2020	(4,239,515)
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning December 1, 2019	<u>(5,782,172)</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ (2,129,542)
5	Projected Residential Class kilowatt hour sales - March 1, 2020 - May 31, 2020 (Line 12)	758,327,982 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ (0.00281) per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
8	Residential Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 6 X Line 7)	<u>\$ (0.00298) per kWh</u>
 Projected Residential Class kilowatt hour sales March 1, 2020 through May 31, 2020		
9	Mar-20	297,285,245
10	Apr-20	251,439,843
11	May-20	<u>209,602,894</u>
12	Total Projected Residential Class kWh Sales	<u><u>758,327,982</u></u>

Pennsylvania Electric Company
Residential Class Price to Compare Default Service Rate Reconciliation
October 1, 2019 through December 31, 2019

Line No.	Description	Oct-19	Nov-19	Dec-19
1	Cumulative (Over)/Under Collection at Beginning of Month 1	\$ 825,447	\$ 1,822,095	\$ 5,539,518
2	Gross Default Service Plan Revenues	\$ 11,531,618	\$ 12,153,198	\$ 16,105,335
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>680,365</u>	<u>717,039</u>	<u>950,215</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 10,851,252	\$ 11,436,160	\$ 15,155,120
5	Plus: Prior Period E-factor Amortization	<u>917,152</u>	<u>917,151</u>	<u>(275,149)</u>
6	Revenue Available for Current Deferral	\$ 11,768,404	\$ 12,353,311	\$ 14,879,971
	<u>Expenses</u>			
7	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS _{Exp2} Cost to provide Default Service	11,843,235	15,091,641	17,460,070
9	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	<u>2,671</u>	<u>2,277</u>	<u>1,690</u>
10	Total Expenses	\$ 11,845,906	\$ 15,093,918	\$ 17,461,760
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 77,502	\$ 2,740,607	\$ 2,581,789
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	4.75%	4.75%	4.75%
14	DS _{Int} Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	<u>1,994</u>	<u>59,665</u>	<u>45,988</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ 1,822,095</u>	<u>\$ 5,539,518</u>	<u>\$ 7,892,146</u>