

November 26, 2019

VIA ELECTRONIC FILING

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

**Re: West Penn Power Company Tariff Electric Pa. P.U.C. No. 40 - Universal Service
Charge Rate Update**

Dear Secretary Chiavetta:

In accordance with the Order entered April 9, 2015 approving the 2014 General Rate Case of West Penn Power Company ("West Penn") at Docket No. R-2014-2428742, enclosed for filing is Supplement No. 64. Supplement No. 64 reflects the computation of the Universal Service Charge under West Penn's Tariff Electric Pa. P.U.C. No. 40, proposed to be effective January 1, 2020.

This filing adjusts West Penn's Universal Service Charge consistent with the provisions of West Penn'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)
Tanya McCloskey — Office of Consumer Advocate (tmccloskey@paoca.org)
Paul Diskin — Bureau of Technical Utility Services (pdiskin@pa.gov)
Alexis Bechtel — Bureau of Consumer Services (abechtel@pa.gov)

WEST PENN POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 7 - 14 of this Tariff**

Issued: November 26, 2019

Effective: January 1, 2020

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

NOTICE

This Supplement No. 64 makes changes to Rider C.
See Sixty-First Revised Page 2.

RIDERS

LIST OF MODIFICATIONS

Riders

Rider C – Universal Service Cost Rider rates have been changed and decreased (See Fifth Revised Page 156).

RIDERS

RIDER C
UNIVERSAL SERVICE COST RIDER

A 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 services rendered January 1, 2020 through December 31, 2020, the USC rates billed is 0.294 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) Decrease

WEST PENN POWER 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)	\$ 28,407,158
2	Sres = Projected kWh Sales for Customers Served Under Residential Retail Rate Schedules during USC Billing Period (See Schedule 3)	6,930,470,480 kWh
3	E = Cumulative Prior Reconciliation Periods' Net Over / (Under) Collections (See Schedule 7)	\$ 9,187,051
4	USc/Sres (Line 1/Line 2)	\$ 0.00410 per kWh
5	E/Sres = Reconciliation Component (Line 3/Line 2)	<u>\$ 0.00133 per kWh</u>
6	(USc/Sres) - (E/Sres) (Line 4 - Line 5)	\$ 0.00277 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>\$ 0.00294 per kWh</u>

WEST PENN POWER COMPANY
Projected Universal Service Program Costs
For the Twelve Months Ending December 31, 2020

Line No.	Description	Amounts
1	West Penn Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 3,500
2	West Penn Customer Assistance Program ("P CAP") Costs	22,477,159
3	West Penn Fuel Fund Administration Costs	46,500
4	West Penn Gatekeeper Program Costs	2,000
5	West Penn WARM (formerly LIURP) Program Costs	<u>5,877,999</u>
6	Total Projected 2020 Universal Service Program Costs (Lines 1 through 5)	<u>\$ 28,407,158</u>

WEST PENN POWER COMPANY
Forecasted Kilowatt-Hours Applicable to Universal Service Charge
For the Twelve Months Ending December 31, 2020

Line No.	Month	Kilowatt-Hours
1	January 2020	735,387,623
2	February 2020	738,092,072
3	March 2020	666,749,774
4	April 2020	541,297,596
5	May 2020	453,348,314
6	June 2020	495,679,210
7	July 2020	584,973,752
8	August 2020	628,136,558
9	September 2020	574,638,077
10	October 2020	468,109,340
11	November 2020	461,744,808
12	December 2020	582,313,356
13	Total for Twelve Months Ending December 31, 2020	<u>6,930,470,480</u>

WEST PENN POWER COMPANY
Universal Service Charge ("USC") Reconciliation Statement
For the USC Reconciliation Period 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) = (5) X (5) X (6)	Cumulative Over / (Under) Collections and Interest (8)
1	November 2018	\$ 2,863,878	\$ 2,060,264	\$ 803,614	6.0000%	0.5000%	20	\$ 80,361	\$ 883,975
2	December 2018	3,259,335	2,193,715	1,065,620	6.0000%	0.5000%	19	101,234	2,050,829
3	January 2019	3,020,183	1,860,516	1,159,667	6.0000%	0.5000%	18	104,370	3,314,866
4	February 2019	2,734,158	1,786,633	947,525	6.0000%	0.5000%	17	80,540	4,342,931
5	March 2019	2,702,641	2,244,626	458,015	6.0000%	0.5000%	16	36,641	4,837,587
6	April 2019	1,854,503	1,989,898	(135,395)	6.0000%	0.5000%	15	(10,155)	4,692,037
7	May 2019	1,982,528	2,096,654	(114,126)	6.0000%	0.5000%	14	(7,989)	4,569,922
8	June 2019	2,275,808	2,194,786	81,022	6.0000%	0.5000%	13	5,266	4,656,210
9	July 2019	3,138,336	1,690,906	1,447,430	6.0000%	0.5000%	12	86,846	6,190,486
10	August 2019	2,632,489	1,718,963	913,526	6.0000%	0.5000%	11	50,244	7,154,256
11	September 2019	2,250,921	1,981,044	269,877	6.0000%	0.5000%	10	13,494	7,437,627
12	October 2019	1,917,153	1,672,632	244,521	6.0000%	0.5000%	9	11,003	7,693,151
13	Totals for the USC reconciliation period ended October 31, 2019	<u>\$ 30,631,933</u>	<u>\$ 23,490,637</u>	<u>\$ 7,141,296</u>				<u>\$ 551,855</u>	<u>\$ 7,693,151</u>

(A) See West Penn 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 Period ended October 31, 2019 will be refunded to / (recouped from) West Penn customers served under residential retail rate schedules.

WEST PENN POWER COMPANY
Recoverable Universal Service Program Costs
For the USC Reconciliation Period 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 October
		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	West Penn Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 300	\$ 52	\$ 44	\$ 205	\$ 145	\$ 368	\$ 2,181	\$ 1,046	\$ 1,705	\$ 495	\$ 695	\$ 4,130	\$ 11,366
2	West Penn Customer Assistance Program ("CAP") Costs	1,770,662	1,554,718	1,721,896	1,457,404	1,788,582	1,507,365	1,664,692	1,520,104	1,420,026	1,391,098	1,418,423	1,273,433	18,488,403
3	West Penn Fuel Fund Administration Costs	123	411	30,424	87	140	122	355	366	70	209	296	315	32,918
4	West Penn Gatekeeper Program Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
5	West Penn WARM (formerly LIURP) Program Costs	289,179	638,534	108,152	328,937	455,759	482,043	429,426	673,270	269,105	327,161	561,630	394,754	4,957,950
6	Reconciliation Year Cost Adjustment (A)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Universal Service Program Costs (Lines 1 through 6)	<u>\$ 2,060,264</u>	<u>\$ 2,193,715</u>	<u>\$ 1,860,516</u>	<u>\$ 1,786,633</u>	<u>\$ 2,244,626</u>	<u>\$ 1,989,898</u>	<u>\$ 2,096,654</u>	<u>\$ 2,194,786</u>	<u>\$ 1,690,906</u>	<u>\$ 1,718,963</u>	<u>\$ 1,981,044</u>	<u>\$ 1,672,632</u>	<u>\$ 23,490,637</u>

(A) See Schedule 6 for computation of Reconciliation Year Cost Adjustment pursuant to West Penn Universal Service Cost Rider.

WEST PENN POWER COMPANY
Recoverable Universal Service Program Costs

**Cost Offset to October 2019 Universal Service Costs to Reflect West Penn's Universal Service
Cost Rider Adjustment for Increase in CAP Participants Through the End of the Reconciliation
Period (12 Months Ended October 31)**

Line No.		CAP Customer Counts at Respective Month's End
1	Participant level per West Penn Joint Petition for Partial Settlement of Rate Investigation at Docket No. R-2016-2537359	23,300
2	Month End CAP Participants November 2018 (Actual)	19,738
3	Month End CAP Participants December 2018 (Actual)	19,178
4	Month End CAP Participants January 2019 (Actual)	18,768
5	Month End CAP Participants February 2019 (Actual)	18,372
6	Month End CAP Participants March 2019 (Actual)	18,536
7	Month End CAP Participants April 2019 (Actual)	18,438
8	Month End CAP Participants May 2019 (Actual)	17,964
9	Month End CAP Participants June 2019 (Actual)	17,434
10	Month End CAP Participants July 2019 (Actual)	17,345
11	Month End CAP Participants August 2019 (Actual)	16,814
12	Month End CAP Participants September 2019 (Actual)	16,133
13	Month End CAP Participants October 2019 (Actual)	15,704
14	Average Month-end CAP Participants for the 12 months ended October 31, 2019	17,869
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	\$ 16,786,775
17	CAP credits and Pre-Program Arrearage Forgiveness Credits per participant (Line 16 / Line 14)	\$ 939
18	Offset by 13.5%	\$ (127)
19	Adjustment to October 2019 West Penn Universal Service Costs to Reflect Cost Adjustment per West Penn Universal Service Cost Rider (Line 15 x Line 18)	<u>\$ -</u>

**WEST PENN POWER 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 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			\$ 5,305,013
2	November 2018	\$ 95,066		5,400,079
3	December 2018	108,194		5,508,273
4	January 2019	(175,131)		5,333,142
5	February 2019	(485,517)		4,847,625
6	March 2019	(483,296)		4,364,329
7	April 2019	(331,629)		4,032,700
8	May 2019	(354,523)		3,678,177
9	June 2019	(406,968)		3,271,209
10	July 2019	(561,208)		2,710,001
11	August 2019	(470,751)		2,239,250
12	September 2019	(402,518)		1,836,732
13	October 2019	<u>(342,832)</u>	<u>\$ 7,693,151</u> (A)	9,187,051
14	Totals November 1, 2018 through October 31, 2019	<u>\$ (3,811,113)</u>	<u>\$ 7,693,151</u>	

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