

November 30, 2018

610-929-3601

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

Re: *Metropolitan Edison Company*
Supplement No. 58 to Tariff Electric Pa. P.U.C. No. 52
Universal Service Charge Rate Effective January 1, 2019

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. 58. Supplement No. 58 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, 2019.

Supplement No. 58 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 that will be effective with service rendered on or after January 1, 2019.

Very truly yours,



Charles V. Fullem
Director
Rates & Regulatory Affairs, PA

Enclosures

c: Kelly Monaghan — PAPUC Bureau of Audits
Lori Burger — PAPUC Bureau of Audits
Tanya McCloskey — Office of Consumer Advocate
Paul Diskin — PAPUC Bureau of Technical Utility Services
Alexis Bechtel — PAPUC Bureau of Consumer Services

METROPOLITAN EDISON COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

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

Issued: November 30, 2018

Effective: January 1, 2019

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

NOTICE

This Supplement No. 58 makes changes to Rider C.
See Fifty-Fifth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider C – Universal Service Cost Rider rates have been changed and increased (See Fourth 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, 2019 through December 31, 2019 the USC shall be equal (C) to 0.452 cents per kWh for all kWh. The USC shall be included in the distribution charges of the (I) monthly bill.

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

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

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

(I) Increase

METROPOLITAN EDISON COMPANY
Computation of Proposed Universal Service Charge
For the Twelve Months Ending December 31, 2019

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)	\$ 22,335,818
2	Sres = Projected kWh Sales for Customers Served Under Residential Retail Rate Schedules during USC Billing Period (See Schedule 3)	5,327,144,443 kWh
3	E = Cumulative Prior Reconciliation Periods' Net Over / (Under) Collections (See Schedule 7)	\$ (326,195)
4	USc/Sres (Line 1/Line 2)	\$ 0.00419 per kWh
5	E/Sres = Reconciliation Component (Line 3/Line 2)	<u>\$ (0.00006)</u> per kWh
6	(USc/Sres) - (E/Sres) (Line 4 - Line 5)	\$ 0.00425 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>\$ 0.00452</u> per kWh

METROPOLITAN EDISON COMPANY
Projected Universal Service Program Costs
For the Twelve Months Ending December 31, 2019

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	17,104,318
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>5,149,000</u>
6	Total Projected 2019 Universal Service Program Costs (Lines 1 through 5)	<u>\$ 22,335,818</u>

METROPOLITAN EDISON COMPANY
Forecasted Kilowatt-Hours Applicable to Universal Service Charge
For the Twelve Months Ending December 31, 2019

Line No.	Month	kWh
1	January 2019	559,840,058
2	February 2019	550,778,700
3	March 2019	490,280,971
4	April 2019	413,953,439
5	May 2019	349,138,252
6	June 2019	378,800,324
7	July 2019	460,086,966
8	August 2019	506,048,472
9	September 2019	443,888,611
10	October 2019	338,772,149
11	November 2019	369,555,397
12	December 2019	<u>466,001,104</u>
13	Total for Twelve Months Ending December 31, 2019	<u><u>5,327,144,443</u></u>

METROPOLITAN EDISON COMPANY
Universal Service Charge ("USC") Reconciliation Statement
For the USC Reconciliation Year Ended October 31, 2018

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 2017	\$ 1,516,430	\$ 1,561,888	\$ (45,458)	6.0000%	0.5000%	20	\$ (4,546)	\$ (50,004)
2	December 2017	2,032,558	2,288,724	(256,166)	6.0000%	0.5000%	19	(24,336)	(330,506)
3	January 2018	2,567,331	1,319,219	1,248,112	6.0000%	0.5000%	18	112,330	1,029,936
4	February 2018	2,054,609	1,628,408	426,201	6.0000%	0.5000%	17	36,227	1,492,364
5	March 2018	1,763,438	2,143,098	(379,660)	6.0000%	0.5000%	16	(30,373)	1,082,331
6	April 2018	1,661,932	1,735,940	(74,008)	6.0000%	0.5000%	15	(5,551)	1,002,772
7	May 2018	1,373,094	1,947,295	(574,201)	6.0000%	0.5000%	14	(40,194)	388,377
8	June 2018	1,491,013	2,028,320	(537,307)	6.0000%	0.5000%	13	(34,925)	(183,855)
9	July 2018	1,883,996	1,805,269	78,727	6.0000%	0.5000%	12	4,724	(100,404)
10	August 2018	1,979,184	1,689,004	310,180	6.0000%	0.5000%	11	17,060	226,836
11	September 2018	1,977,148	2,259,525	(282,377)	6.0000%	0.5000%	10	(14,119)	(69,660)
12	October 2018	1,450,929	1,447,287	3,642	6.0000%	0.5000%	9	164	(65,854)
13	Reconciliation year ended October 31, 2018	\$ 21,751,662	\$ 21,833,977	\$ (82,315)				\$ 16,461	\$ (65,854)

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

(B) Mid-point of the next USC Rate Billing Period is June 30, 2019 during which the net over / (under) recoveries, including interest, for the USC Reconciliation Year ended October 31, 2018 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, 2018

Details of Universal Service Program Costs

Line No.	Description of Universal Service Program Costs	November 2017 (1)	December 2017 (2)	January 2018 (3)	February 2018 (4)	March 2018 (5)	April 2018 (6)	May 2018 (7)	June 2018 (8)	July 2018 (9)	August 2018 (10)	September 2018 (11)	October 2018 (12)	12 Months Ended October 2018 (13)
1	Met-Ed Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 76	\$ 20	\$ 996	\$ 773	\$ -	\$ 383	\$ -	\$ 823	\$ 63	\$ 600	\$ 289	\$ -	\$ 4,023
2	Met-Ed Customer Assistance Program ("CAP") Costs	1,262,330	1,363,562	1,192,287	1,214,854	1,484,951	1,222,434	1,464,017	1,388,751	1,396,787	1,418,566	1,395,838	1,323,616	16,129,993
3	Met-Ed Fuel Fund Administration Costs	66	183	29,997	594	538	415	768	706	367	261	209	316	34,420
4	Met-Ed Gatekeeper Program Costs	10	-	-	-	-	-	-	11	-	-	-	-	21
5	Met-Ed WARM (formerly LURP) Program Costs	299,406	924,859	95,939	412,187	657,609	512,708	482,510	638,029	406,052	249,577	863,189	123,355	5,965,520
6	Reconciliation Year Cost Adjustment (A)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Universal Service Program Costs for the Month (Lines 1 through 6)	\$ 1,561,888	\$ 2,288,724	\$ 1,319,219	\$ 1,628,408	\$ 2,143,098	\$ 1,735,940	\$ 1,947,295	\$ 2,028,320	\$ 1,805,269	\$ 1,669,004	\$ 2,259,525	\$ 1,447,287	\$ 21,833,977

(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 2017 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 2017	14,865
3	Month-end CAP Participants December 2017	14,801
4	Month-end CAP Participants January 2018	14,678
5	Month-end CAP Participants February 2018	14,856
6	Month-end CAP Participants March 2018	15,156
7	Month-end CAP Participants April 2018	15,254
8	Month-end CAP Participants May 2018	15,546
9	Month-end CAP Participants June 2018	15,524
10	Month-end CAP Participants July 2018	15,427
11	Month-end CAP Participants August 2018	15,349
12	Month-end CAP Participants September 2018	15,330
13	Month-end CAP Participants October 2018	15,223
14	Average Month-end CAP Participants for the 12 months ended October 31, 2018	15,167
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, 2018	\$ 14,687,868
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 2018 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 2019 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 2018	Cumulative Remaining Prior Reconciliation Periods' Over / (Under) Collections Including Interest
		(1)	(2)	(3)
1	Beginning Balance at October 31, 2017			\$ 4,121,237
2	November 2017	\$ (277,006)		3,844,231
3	December 2017	(371,287)		3,472,944
4	January 2018	(497,086)		2,975,858
5	February 2018	(425,132)		2,550,726
6	March 2018	(365,013)		2,185,713
7	April 2018	(344,002)		1,841,711
8	May 2018	(284,216)		1,557,495
9	June 2018	(308,624)		1,248,871
10	July 2018	(389,967)		858,904
11	August 2018	(409,670)		449,234
12	September 2018	(409,248)		39,986
13	October 2018	<u>(300,327)</u>	<u>\$ (65,854) (A)</u>	(326,195)
14	Totals November 1, 2017 through October 31, 2018	<u>\$ (4,381,578)</u>	<u>\$ (65,854)</u>	

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