

October 15, 2018

610-929-3601

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

**Re: Metropolitan Edison Company Tariff Electric Pa. P.U.C. No. 52 – Rate
Changes in Compliance with Metropolitan Edison Company’s Default Service
Plan, Docket No. P-2015-2511333**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 57 to Metropolitan Edison Company’s (“Met-Ed” or the “Company”) Tariff Electric Pa. P.U.C. No. 52, which bears an issue date of October 15, 2018. The tariff changes contained in Supplement No. 57 are proposed to be effective with service rendered on or after December 1, 2018.

The purpose of Tariff Supplement No. 57 is to reflect: (1) default service rate changes for the Residential Customer Class served under the Price to Compare Default Service Rider; and (2) default service rate changes for customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission’s Order entered May 19, 2016 at Docket No. P-2015-2511333.

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

- Schedule 1 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.
- Schedule 2 provides supporting details for the changes to the Hourly Pricing Default Service Reconciliation Charge rate contained in the Hourly Pricing Default Service Rider.

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

Sincerely,



Charles V. Fullem
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 Program	:	Docket Nos. P-2015-2511333 P-2015-2511351 P-2015-2511355 P-2015-2511356
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant.)

VIA FIRST CLASS MAIL

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Dated: October 15, 2018



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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: October 15, 2018

Effective: December 1, 2018

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

NOTICE

Supplement No. 57 makes changes to Riders H and I.
See Fifty-Fourth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider H – Price to Compare Default Service Rate Rider rates have been changed and increased (See Fifteenth Revised Page 129).

Rider I – Hourly Pricing Default Service Rider rates have been changed and decreased (See Sixteenth Revised Page 138).

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 Met-Ed 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 December 1, 2018 through February 28, 2019 the PTC_{Default} rates billed by Customer Class are as follows:

(C)

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

\$0.06344 per kWh.

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

\$0.06684 per kWh

(I)

(C) Change
(I) Increase

RIDERS

Rider I (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Met-Ed 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 December 1, 2018 through February 28, 2019, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$0.01024 per kWh

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

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales}$$

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, 2015 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2017 including but not limited to:

(C) Change
(D) Decrease

Metropolitan Edison Company
Price to Compare Default Service Rate Calculation
Residential Class: For the Default Service Period December 1, 2018 through February 28, 2019

Line
No.

	Number of	Clearing	Weighted
<u>Fixed Price Tranche Purchases (\$ per MWh)</u>	Tranches	Price	Clearing
			Price
1	4	\$ 53.13	\$ 212.52
2	4	54.92	219.68
3	4	57.99	231.96
4	4	55.55	222.20
5	4	58.44	233.76
6	4	57.19	228.76
7	Total	24	\$ 1,348.88
8	Total Average Fixed Price Tranche	\$ 56.20	
9	Times Fixed Portion of Load	95%	
10	Total Fixed Price Cost (Line 8 X Line 9)		\$ 53.39
11	Average Variable Hourly Price Tranche	\$ 45.34	
12	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)	20.00	
13	Variable Hourly Priced Cost (Line 11 + Line 12)	\$ 65.34	
14	Times Variable Portion of Load	5%	
15	Total Variable Hourly Priced Cost (Line 13 X Line 14)		\$ 3.27
16	Price to Compare Weighted Average Price ((Line 10 + Line 15) / 1000)		\$ 0.05666
17	Times PTC Loss _{Current}		1.0515
18	Price to Compare Weighted Average Price, including line losses (Line 16 X Line 17)		\$ 0.05958 per kWh
19	PTC _{Administrative Charge}		\$ 0.00016 per kWh
20	PTC _{Current} before PA Gross Receipts Tax (Line 18 + Line 19)		\$ 0.05974
21	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]		1.062699
22	PTC_{Current} Residential Class including PA Gross Receipts Tax (Line 20 X Line 21)		\$ 0.06348 per kWh
23	E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 8)		\$ 0.00336 per kWh
24	PTC_{Default} Residential Class (Line 22 + Line 23)		\$ 0.06684 per kWh

(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

Metropolitan Edison Company
Computation of Residential Class Price to Compare Default Service Rate Reconciliation Factor
Rate Effective December 1, 2018 through February 28, 2019

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of September 30, 2018 (See Page 3, Line 15)	\$ 937,688
2	Adjustment for projected Residential Class (Over) / Under Collection through February 2019	1,667,188
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning September 1, 2018	<u>778,983</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ 3,383,859
5	Projected Residential Class kilowatt hour sales - December 1, 2018 - February 28, 2019 (Line 12)	1,069,107,894 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ 0.00317 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><u>\$ 0.00336 per kWh</u></u>

Projected Residential Class kilowatt hour sales December 1, 2018 through February 28, 2019

9	Dec-18	319,821,785
10	Jan-19	377,976,892
11	Feb-19	<u>371,309,217</u>
12	Total Projected Residential Class kWh Sales	<u><u>1,069,107,894</u></u>

Metropolitan Edison Company
Residential Class Price to Compare Default Service Rate Reconciliation
July 1, 2018 through September 30, 2018

Line No.	Description	Jul-18	Aug-18	Sep-18
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 2,811,871	\$ 3,707,086	\$ 3,473,107
2	Gross Default Service Plan Revenues	\$ 21,862,976	\$ 23,070,340	\$ 22,813,021
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>1,289,916</u>	<u>1,361,150</u>	<u>1,345,968</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 20,573,061	\$ 21,709,190	\$ 21,467,053
5	Plus: Prior Period E-factor Amortization	\$ (203,437)	\$ (203,436)	\$ (937,290)
6	Revenue Available for Current Deferral	\$ 20,369,624	\$ 21,505,754	\$ 20,529,763
	<u>Expenses</u>			
7	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS _{Exp2} Cost to provide Default Service	21,439,305	21,645,882	18,961,105
9	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>(169,987)</u>	<u>(58)</u>
10	Total Expenses	\$ 21,439,305	\$ 21,475,895	\$ 18,961,047
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 1,069,681	\$ (29,859)	\$ (1,568,716)
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	5.00%	5.00%	5.00%
14	DS _{Int} Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	<u>\$ 28,971</u>	<u>\$ (684)</u>	<u>\$ (29,413)</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ 3,707,086</u>	<u>\$ 3,473,107</u>	<u>\$ 937,688</u>

Metropolitan Edison Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period December 1, 2018 through February 28, 2019

**Line
No.**

	HP Energy Charge = $\sum (kWh_t \times (LMP_t + HPO_{th})) \times HP_{Loss\ Multiplier}$	
1	$\sum (kWh_t \times$	kWh for each hour in billing period
2	$(LMP_t + HPO_{th})$	LMP = Real Time PJM Load Weighted average LMP for ME Zone for each hour
3		$HP_{Oth} = \$0.004$ 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, Large = 1.0515 GP = 1.0171 TP = 1.0007
6	<hr/> HP Energy Charge (Line 4 x Line 5)	
	HP Cap-AEPS-Other Purchases (\$/MWh)	Price
7	January 2018 (June 18 through May 19)	\$ 20.45 \$/MWh
8		\$ 0.02045 per kWh
9	x HP Loss Multiplier	GS Small, Medium, Large = 1.0515 GP = 1.0171 TP = 1.0007
10	<hr/> HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
11	HP Administrative Charge	\$ 0.00025 per kWh
12	HP Uncollectibles Charge	\$ 0.00016 per kWh
13	HP Reconciliation Charge	<u>\$ 0.01024 per kWh</u>
14	Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)	<u><u>\$ x.xxxxx</u></u>

- (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

Metropolitan Edison Company
Computation of Industrial Class Hourly Pricing Default Service Rate Reconciliation Factor
Rate Effective December 1, 2018 through February 28, 2019

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of September 30, 2018 (Page 3, Line 15)	\$ 356,134
2	Projected Industrial Class kilowatt hour sales - December 1, 2018 - February 28, 2019 (Line 11)	36,949,255 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.00964 per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>100.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ 0.00964 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>\$ 0.01024 per kWh</u>

Projected Industrial Class kilowatt hour sales December 1, 2018 through February 28, 2019

8	Dec-18	12,381,568
9	Jan-19	12,059,415
10	Feb-19	<u>12,508,273</u>
11	Total Projected Industrial Class kWh Sales	<u>36,949,255</u>

Metropolitan Edison Company
Industrial Class Hourly Pricing Default Service Rate Reconciliation
July 1, 2018 through September 30, 2018

Line No.	Description	Jul-18	Aug-18	Sep-18
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 388,305	\$ 313,901	\$ 443,025
2	Gross Default Service Plan Revenues	\$ 760,707	\$ 781,922	\$ 882,245
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>44,882</u>	<u>46,133</u>	<u>52,052</u>
4	PTC _{HPR} Rev Net Default Service Plan Revenues	\$ 715,825	\$ 735,789	\$ 830,192
5	Plus: Prior Period E-factor Amortization	<u>\$ 7,922</u>	<u>\$ 7,922</u>	<u>\$ (129,435)</u>
6	Revenue Available for Current Deferral	\$ 723,747	\$ 743,711	\$ 700,757
7	Less: Revenue Allocated to Uncollectibles, net of GRT	<u>\$ 2,088</u>	<u>\$ 2,089</u>	<u>\$ 2,146</u>
8	Revenue Available for Current Deferral	\$ 721,659	\$ 741,622	\$ 698,611
<u>Expenses</u>				
9	DS _{HPE} Exp1 Amortization of Start Up Costs	\$ -	\$ -	\$ -
10	DS _{HPE} Exp2 Cost to provide Default Service	641,504	860,109	740,372
11	DS _{HPE} Exp2 Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
12	Total Expenses	\$ 641,504	\$ 860,109	\$ 740,372
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ (80,155)	\$ 118,487	\$ 41,761
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	5.00%	5.00%	5.00%
16	DS _{HPI} Int Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/14))	<u>\$ (2,171)</u>	<u>\$ 2,715</u>	<u>\$ 783</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ 313,901</u>	<u>\$ 443,025</u>	<u>\$ 356,134</u>