

April 25, 2019

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, Supplement No. 67, Changes for Solar Photovoltaic Requirements Charge Rates

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission (“Commission”) is an original of Supplement No. 67 to Metropolitan Edison Company’s (“Met-Ed” or the “Company”) Tariff Electric Pa. P.U.C. No. 52 bearing an issue date of April 25, 2019. The tariff changes contained in Supplement No. 67 are proposed to be effective for service rendered on or after June 1, 2019.

Supplement No. 67 reflects changes in rates consistent with the Commission’s Order entered September 4, 2018 at Docket No. P-2017-2637855, which approved Met-Ed’s Default Service Program for the period of June 1, 2019 through May 31, 2023.

In support of the proposed changes set forth in Tariff No. 52, Supplement No. 67, Met-Ed is also filing the following enclosed schedule:

- Supporting details for rates under the Solar Photovoltaic Requirements Charge, pursuant to the Company’s Solar Photovoltaic Requirements Charge Rider (Rider N).

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

Sincerely,



Joanne M. savage
Director – Rates and Regulatory Affairs – PA
610-921-6525

Enclosures

c: Paul Diskin – PaPUC Bureau of Technical Utility Services
Lori Burger – PaPUC Bureau of Audits
Certificate of Service

**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:

VIA FIRST CLASS MAIL

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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: April 25, 2019

Effective: June 1, 2019

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

NOTICE

Supplement No. 67 makes changes to Rider N.
See Sixty-Fourth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider N – Solar Photovoltaic Requirements Charge Rider rates have been changed and increased (See Fifth Revised Page 163).

RIDER N

SOLAR PHOTOVOLTAIC REQUIREMENTS CHARGE RIDER

A Solar Photovoltaic Requirements Charge (“SPVRC”), determined to the nearest one-thousandth of a cent per kWh, shall be applied to each kWh delivered during a billing month to all Delivery Service Customers not qualifying for Solar Photovoltaic (“SPV”) self-generation exclusion. The SPVRC shall be non-bypassable.

For service rendered June 1, 2019 through May 31, 2020, the SPVRC shall be equal to 0.035 cents per kWh for all kWh.

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

$$SPVRC = [(SPVRC_C - E) / S] \times [1 / (1 - T)]$$

$$SPVRC_C = SPVRC_{Exp1} + SPVRC_{Exp2} + SPVRC_{Exp3} + SPVRC_{Exp4}$$

Where:

SPVRC = The charge in cents per kWh to be applied to each kWh delivered to Delivery Service Customers served under this tariff.

SPVRC_C = Solar Photovoltaic Requirements Charge Costs calculated in accordance with the formula shown above.

E = The over or under-collection of SPVRC costs that results from billing the SPVRC during the SPVRC Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. The E rate shall be applied to each kWh delivered to Delivery Service Customers. Interest shall be computed monthly at the legal rate determined pursuant to 41 P.S. § 202, from the month in which the over or under-collection occurs to the month in which the over-collection is refunded to or the under-collection is recovered from all Delivery Service Customers.

SPVRC_{Exp1} = A projection of the costs incurred to acquire the Solar Photovoltaic Alternative Energy Credits (“SPAECs”) to be retired during the SPVRC Computational Year obtained from winning bidders selected in the competitive procurement process to fulfill the Company’s SPV obligations imposed by the AEPS Act and related laws and regulations, as the same may be amended from time to time (“AEPS Laws And Regulations”).

(C) Change

(I) Increase

**Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Rider Rates
Rates to be Effective from June 1, 2019 through May 31, 2020**

<u>Budgeted SPVRC</u>							
	<u>Costs</u>	<u>E factor</u>	<u>Total SPVRC Costs</u>	<u>Sales (kWh)</u>	<u>SPVRC Rate w/o</u>	<u>Tax Factor</u>	<u>SPVRC Rate</u>
	(1)	(2)	(3) = (1)-(2)	(4)	((5) = (3) / (4)) X 100	(6) = 1 / (1-T)	(7) = (5) X (6)
	(Page 2)	(Page 6)		(Page 4)		T = 5.9%	
5,075,635		503,728	4,571,907	13,660,022,661	0.033	1.062699	0.035

**Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Rider Rates
SPAEC Under Contract for Delivery from June 1, 2019 through May 31, 2020**

<u>Line No.</u>	<u>Trade Date</u> (1)	<u>Price</u> (2)	<u>Amount</u> (3)	<u>Total Cost</u> (4) = (2) x (3)
1	2/24/2010	350	250	87,500
2	2/24/2010	239	250	59,625
3	6/18/2010	325	250	81,250
4	6/18/2010	274	250	68,500
5	6/18/2010	259	250	64,750
6	5/4/2012	110	2,288	251,680
7	11/20/2012	65	1,500	97,500
8	11/20/2012	60	3,500	211,505
9	11/20/2012	60	500	30,000
10	11/20/2013	50	1,000	49,970
11	11/20/2013	65	3,000	196,200
12	11/20/2013	79	1,000	79,240
13	8/23/2017	285	625	178,125
14	8/23/2017	285	625	178,125
15	8/23/2017	285	625	178,125
16	8/23/2017	285	625	178,125
17	8/23/2017	285	625	178,125
18	8/23/2017	285	625	178,125
19	3/6/2019	81	1,500	122,160
20	3/6/2019	63	2,000	125,000
21	3/6/2019	65	2,000	129,900
22	3/6/2019	80	10,000	800,000
23	3/6/2019	79	9,000	712,710
24	Total		42,288	\$ 4,236,240

Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Rider Rates
Forecasted Expenses from June 1, 2019 through May 31, 2020

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Forecasted Distribution - MWh (Page 4, Line 13)	13,660,023
2	Solar Photovoltaic Requirement (%)	<u>0.44%</u>
3	Total SPAECs Required (Line 1 x Line 2)	60,555
4	SPAECs Under Contract (Page 3, Column 3 Line 24)	42,288
5	SPAECs Under Contract Costs (Page 3, Column 4 Line 24)	\$ 4,236,240
6	SPAEC Position (Short)/Long (Line 4 - Line 3)	(18,267)
7	SPAEC Market Quote	\$ 45.00
8	SPAEC Spot Market Cost (Line 6 x Line 7)	<u>\$ 822,015</u>
9	Estimated Annual SPAEC Cost (Line 5 + Line 8)	<u>\$ 5,058,255</u>
10	Administrative Costs	
11	Incremental Start-Up Costs	17,380
12	Carrying Charges on SPAECs Inventory (A)	-
13	Total Projected SPVRC Costs (Lines 9+10+11+12)	<u><u>\$ 5,075,635</u></u>
(A) Unrecovered SPAECs Investment as of 4/1/2019		\$ -
Interest		6%
Carrying Charges on SPAECs Investment		-

**Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Rider Rates
Solar Photovoltaic Requirements Charge Forecasted kWh Sales from June 1, 2019 - May 31, 2020**

<u>Line No.</u>	<u>Month</u>	<u>kWh</u>
1	June-19	1,090,721,183
2	July	1,192,007,955
3	August	1,269,989,167
4	September	1,192,306,114
5	October	1,042,549,581
6	November	1,044,511,620
7	December	1,140,003,796
8	January-20	1,212,145,479
9	February	1,233,919,625
10	March	1,164,196,018
11	April	1,073,777,057
12	May	1,003,895,069
13	Total	<u>13,660,022,661</u>

Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Over(Under) Collection from April 2018 - March 2019

Line No.	Description	Apr-18 (1)	May-18 (2)	Jun-18 (3)	Jul-18 (4)	Aug-18 (5)	Sep-18 (6)	Oct-18 (7)	Nov-18 (8)	Dec-18 (9)	Jan-19 (10)	Feb-19 (11)	Mar-19 (12)	Total Current Over(Under) Collection (13)
Revenues														
1	Met-Ed SPVRC Revenues	\$ 524,556	\$ 496,648	\$ 364,973	\$ 49,230	\$ 33,203	\$ 39,405	\$ 33,644	\$ 32,762	\$ 36,491	\$ 38,603	\$ 38,752	\$ 36,366	\$ 1,724,634
2	Gross Receipts Tax @ 5.9%	30,949	29,302	21,533	2,905	1,959	2,325	1,985	1,933	2,153	2,278	2,296	2,146	101,753
3	SPVRC Revenues net of GRT [Line 1 - Line 2]	\$ 493,607	\$ 467,346	\$ 343,439	\$ 46,326	\$ 31,244	\$ 37,080	\$ 31,659	\$ 30,829	\$ 34,338	\$ 36,325	\$ 36,456	\$ 34,221	\$ 1,622,880
4	SPVRC Revenues Applied to E Factor	\$ (9,957)	\$ (9,428)	\$ (891,728)	\$ (309,577)	\$ (209,840)	\$ (249,035)	\$ (212,627)	\$ (207,053)	\$ (230,620)	\$ (243,965)	\$ (244,912)	\$ (229,634)	\$ (3,046,575)
5	SPVRC Revenues Available for Current Deferral [Line 3 - Line 4]	\$ 503,654	\$ 476,774	\$ 1,235,167	\$ 355,903	\$ 241,084	\$ 286,115	\$ 244,286	\$ 237,882	\$ 264,958	\$ 280,290	\$ 281,378	\$ 284,055	\$ 4,671,456
Expenses														
6	Cost of Acquiring SPARECs	\$ 284,440	\$ 353,048	\$ 270,207	\$ 270,207	\$ 282,547	\$ 131,203	\$ 231,336	\$ 289,506	\$ 258,327	\$ 274,951	\$ 418,314	\$ 505,113	\$ 3,629,200
7	SPVRC Administrative Costs	-	-	-	-	-	-	-	-	-	-	7,634	9,747	17,380
8	SPVRC Start-Up Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Sales/Purchase of Excess, Unused, and/or Additional SPARECs	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Carrying Charges on Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Total SPVRC Expenses [Line 6 + Line 7 + Line 8 + Line 9 + Line 10]	\$ 284,440	\$ 353,048	\$ 270,207	\$ 270,207	\$ 282,547	\$ 131,203	\$ 231,336	\$ 289,506	\$ 258,327	\$ 274,951	\$ 425,948	\$ 514,859	\$ 3,646,579
12	Net Over(Under) Collection for the Month [Line 5 - Line 12]	\$ 219,124	\$ 123,726	\$ 964,960	\$ 86,696	\$ (21,463)	\$ 154,912	\$ 12,950	\$ (31,624)	\$ 6,631	\$ 5,339	\$ (144,570)	\$ (250,804)	\$ 1,124,877
Interest														
13	Annual Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
14	Monthly Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
15	Number of Months to mid-point of next SPVRC Rider Rate Billing Period From Current Month	20	19	18	17	16	15	14	13	12	11	10	9	
16	Interest Expense for Regulatory Purposes	\$ 21,912	\$ 11,754	\$ 86,846	\$ 7,284	\$ (1,717)	\$ 11,618	\$ 907	\$ (2,055)	\$ 398	\$ 294	\$ (7,229)	\$ (11,285)	\$ 118,725
17	Total Over(Under) Collection [Line 12 + Line 16]	\$ 241,036	\$ 135,480	\$ 1,051,806	\$ 92,980	\$ (23,180)	\$ 166,530	\$ 13,857	\$ (33,680)	\$ 7,029	\$ 5,633	\$ (151,799)	\$ (252,090)	\$ 1,243,602

**Metropolitan Edison Company
Solar Photovoltaic Requirements Charge Rider Rates
E-Factor Balances**

<u>Line No.</u>	<u>Month</u>	Revenue Applied to <u>E-Factor</u>	Current Period Over/(Under) <u>Collection</u>	Cumulative E-Factor <u>Balance</u>
		(1)	(2)	(3)
1	Beginning Balance at March 31, 2018			\$ 2,725,780
	<u>2018</u>			
2	April	actual (9,957)		\$ 2,715,823
3	May	actual (9,428)		2,706,395
4	June	actual (891,728)		1,814,667
5	July	actual (309,577)		1,505,090
6	August	actual (209,840)		1,295,250
7	September	actual (249,035)		1,046,215
8	October	actual (212,627)		833,588
9	November	actual (207,053)		626,535
10	December	actual (230,620)		395,915
	<u>2019</u>			
11	January	actual (243,965)		151,950
12	February	actual (244,912)		(92,962)
13	March	actual (229,834)		(322,796)
14	April	budget (204,468)		(527,264)
15	May	budget (212,611)		(739,874)
16	Total	\$ (3,465,654)		
17	E-Factor for Current Reconciliation Period Ended March 31, 2019 (page 5, Line 17, Col.13)		\$ 1,243,602	
18	Total E-Factor to include in rates (Line 15, Col. 3 + Line 17, Col. 2)			<u>\$ 503,728</u>