

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: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81 - Universal Service Charge Rate Update

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. 87. Supplement No. 87 reflects the computation of the Universal Service Charge under Pennsylvania Electric Company's ("Penelec") Tariff Electric Pa. P.U.C. No. 81, proposed to be effective January 1, 2020.

This filing adjusts Penelec's Universal Service Charge consistent with the provisions of Penelec'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)
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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: November 26, 2019

Effective: January 1, 2020

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

NOTICE

This Supplement No. 87 makes changes to Rider C.
See Eighty-Fourth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider C – Universal Service Cost Rider rates have been changed and decreased (See Fifth Revised Page 117).

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, 2020 through December 31, 2020, the Universal Service Cost Rider shall be equal to 0.717 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

PENNSYLVANIA ELECTRIC 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)	\$ 28,627,260
2	Sres = Projected kWh Sales for Customers Served Under Residential Retail Rate Schedules during USC Billing Period (See Schedule 3)	4,109,254,225 kWh
3	E = Cumulative Prior Reconciliation Periods' Net Over / (Under) Collections (See Schedule 7)	\$ 902,148
4	USc/Sres (Line 1/Line 2)	\$ 0.00697 per kWh
5	E/Sres = Reconciliation Component (Line 3/Line 2)	<u>\$ 0.00022 per kWh</u>
6	(USc/Sres) - (E/Sres) (Line 4 - Line 5)	\$ 0.00675 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><u>\$ 0.00717 per kWh</u></u>

PENNSYLVANIA ELECTRIC COMPANY
Projected Universal Service Program Costs
For the Twelve Months Ending December 31, 2020

Line No.	Description	Amounts
1	Penelec Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 3,500
2	Penelec Customer Assistance Program ("P CAP") Costs	22,420,760
3	Penelec Fuel Fund Administration Costs	75,000
4	Penelec Gatekeeper Program Costs	2,000
5	Penelec WARM (formerly LIURP) Program Costs	<u>6,126,000</u>
6	Total Projected 2020 Universal Service Program Costs (Lines 1 through 5)	<u>\$ 28,627,260</u>

PENNSYLVANIA ELECTRIC 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	433,687,384
2	February 2020	432,207,562
3	March 2020	397,675,950
4	April 2020	337,101,674
5	May 2020	282,121,660
6	June 2020	285,383,951
7	July 2020	327,871,030
8	August 2020	350,540,051
9	September 2020	317,041,253
10	October 2020	283,925,126
11	November 2020	297,318,985
12	December 2020	<u>364,379,597</u>
13	Total for Twelve Months Ending December 31, 2020	<u><u>4,109,254,225</u></u>

PENNSYLVANIA ELECTRIC COMPANY
Universal Service Charge ("USC") Reconciliation Statement
For the USC Reconciliation Year 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) = (3) X (5) X (6)	Cumulative Over / (Under) Collections and Interest (8)
1	November 2018	\$ 1,902,089	\$ 2,178,519	\$ (276,430)	6.0000%	0.5000%	20	\$ (27,643)	\$ (304,073)
2	December 2018	2,358,475	2,560,820	(202,345)	6.0000%	0.5000%	19	(19,223)	(525,641)
3	January 2019	2,697,750	1,983,434	714,316	6.0000%	0.5000%	18	64,288	252,963
4	February 2019	2,891,527	1,980,345	911,182	6.0000%	0.5000%	17	77,450	1,241,595
5	March 2019	2,654,129	2,607,091	47,038	6.0000%	0.5000%	16	3,763	1,292,396
6	April 2019	2,228,230	1,840,400	387,830	6.0000%	0.5000%	15	29,087	1,709,313
7	May 2019	1,888,265	2,101,245	(212,980)	6.0000%	0.5000%	14	(14,909)	1,481,424
8	June 2019	1,853,944	2,554,422	(700,478)	6.0000%	0.5000%	13	(45,531)	735,415
9	July 2019	2,292,787	1,908,613	384,174	6.0000%	0.5000%	12	23,050	1,142,639
10	August 2019	2,600,395	2,034,353	566,042	6.0000%	0.5000%	11	31,132	1,739,813
11	September 2019	2,234,363	2,288,782	(54,419)	6.0000%	0.5000%	10	(2,721)	1,682,673
12	October 2019	1,967,736	2,045,295	(77,559)	6.0000%	0.5000%	9	(3,490)	1,601,624
13	Reconciliation year ended October 31, 2019	<u>\$ 27,569,690</u>	<u>\$ 26,083,319</u>	<u>\$ 1,486,371</u>				<u>\$ 115,253</u>	<u>\$ 1,601,624</u>

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

PENNSYLVANIA ELECTRIC COMPANY
Recoverable Universal Service Program Costs
For the USC Reconciliation Year 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
		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	Penelec Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 2,653	\$ 52	\$ 135	\$ 205	\$ 89	\$ 43	\$ 740	\$ 46	\$ 1,819	\$ 1,015	\$ 3,897	\$ 1,376	\$ 12,070
2	Penelec Customer Assistance Program ("CAP") Costs	1,715,612	1,625,651	1,760,423	1,573,300	1,798,302	1,469,545	1,733,289	1,637,363	1,481,161	1,511,133	1,578,943	1,365,178	19,249,900
3	Penelec Fuel Fund Administration Costs	227	463	19,092	70	140	122	104	209	70	279	296	315	21,387
4	Penelec Gatekeeper Program Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Penelec WARM (formerly LIURP) Program Costs	460,027	934,654	203,784	406,770	808,560	370,690	367,112	916,804	425,563	521,926	705,646	678,426	6,799,962
6	Reconciliation Year Cost Adjustment (A)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Universal Service Program Costs (Lines 1 through 6)	<u>\$ 2,178,519</u>	<u>\$ 2,560,820</u>	<u>\$ 1,983,434</u>	<u>\$ 1,980,345</u>	<u>\$ 2,607,091</u>	<u>\$ 1,840,400</u>	<u>\$ 2,101,245</u>	<u>\$ 2,554,422</u>	<u>\$ 1,908,613</u>	<u>\$ 2,034,353</u>	<u>\$ 2,288,782</u>	<u>\$ 2,045,295</u>	<u>\$ 26,083,319</u>

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

PENNSYLVANIA ELECTRIC COMPANY
Recoverable Universal Service Program Costs

Cost Offset to October 2019 Universal Service Costs to Reflect Penelec'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.		<u>CAP Customer Counts at Respective Month's End</u>
1	Participant level per Penelec Joint Petition for Partial Settlement of Rate Investigation at Docket No. R-2016-2537352	23,200
2	Month-end CAP Participants November 2018 (Actual)	21,057
3	Month-end CAP Participants December 2018 (Actual)	20,902
4	Month-end CAP Participants January 2019 (Actual)	20,608
5	Month-end CAP Participants February 2019 (Actual)	20,519
6	Month-end CAP Participants March 2019 (Actual)	20,443
7	Month-end CAP Participants April 2019 (Actual)	20,226
8	Month-end CAP Participants May 2019 (Actual)	19,772
9	Month-end CAP Participants June 2019 (Actual)	19,318
10	Month-end CAP Participants July 2019 (Actual)	19,300
11	Month-end CAP Participants August 2019 (Actual)	19,153
12	Month-end CAP Participants September 2019 (Actual)	18,810
13	Month-end CAP Participants October 2019 (Actual)	18,571
14	Average Month-end CAP Participants for the 12 months ended October 31, 2019	19,890
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	\$ 17,360,492
17	CAP credits and Pre-Program Arrearage Forgiveness Credits per participant (Line 16 / Line 14)	\$ 873
18	Offset by 14.7%	\$ (128)
19	Adjustment to October 2019 Penelec Universal Service Costs to Reflect Cost Adjustment per Penelec Universal Service Cost Rider (Line 15 x Line 18)	<u>\$ -</u>

PENNSYLVANIA ELECTRIC 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 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			\$ (501,169)
2	November 2018	\$ (186,669)		(687,838)
3	December 2018	(231,458)		(919,296)
4	January 2019	(150,295)		(1,069,591)
5	February 2019	50,358		(1,019,233)
6	March 2019	47,894		(971,339)
7	April 2019	40,209		(931,130)
8	May 2019	34,074		(897,056)
9	June 2019	33,455		(863,601)
10	July 2019	41,374		(822,227)
11	August 2019	46,924		(775,303)
12	September 2019	40,319		(734,984)
13	October 2019	<u>35,508</u>	\$ <u>1,601,624</u> (A)	902,148
14	Totals November 1, 2018 through October 31, 2019	\$ <u>(198,307)</u>	\$ <u>1,601,624</u>	

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