

July 16, 2018

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

**Re: Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 36 – Rate Changes  
in Compliance with Pennsylvania Power Company’s Default Service Plan,  
Docket No. P-2015-2511355**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 47 to Pennsylvania Power Company’s (“Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 36, which bears an issue date of July 16, 2018. The tariff changes contained in Supplement No. 47 are proposed to be effective with service rendered on or after September 1, 2018.

The purpose of Tariff Supplement No. 47 is to reflect: (1) default service rate changes for the Commercial and 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-2015-2511355.

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

- Schedule 1 provides supporting details for the changes to the Commercial 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 Residential Class’s default service rates stated in the tariff’s Price to Compare Default Service Rate Rider.
- Schedule 3 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**

<b>Joint Petition of Metropolitan Edison</b>	<b>:</b>	<b>Docket Nos. P-2015-2511333</b>
<b>Company, Pennsylvania Electric Company,</b>	<b>:</b>	<b>P-2015-2511351</b>
<b>Pennsylvania Power Company and West</b>	<b>:</b>	<b>P-2015-2511355</b>
<b>Penn Power Company for Approval of</b>	<b>:</b>	<b>P-2015-2511356</b>
<b>their Default Service Program</b>	<b>:</b>	

**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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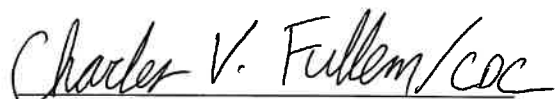
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Dated: July 16, 2018



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Supplement No. 47  
Electric Pa. P.U.C. No. 36

**PENNSYLVANIA POWER COMPANY**  
**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

**The Territory as Defined on  
Page Nos. 8 - 9 of this Tariff**

**Issued: July 16, 2018**

**Effective: September 1, 2018**

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

**NOTICE**

This Supplement No. 47 makes changes to Riders H and I.  
See Forty-Fourth Revised Page 2.

**LIST OF MODIFICATIONS**

**Riders**

Rider H - Price to Compare Default Service Rate Rider rates have been changed and decreased (See Seventeenth Revised Page 123).

Rider I - Hourly Pricing Default Service Rider rates have been changed and increased (See Fourteenth Revised Page 131).

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC<sub>Default</sub> 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 September 1, 2018 through November 30, 2018 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS (excluding Special Rate GSDS), Rate GM, Rate GS-Large, Rate PNP, PLS, SV, SVD, SM and LED):

\$0.07548per kWh. (D)

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

\$0.06626 per kWh (D)

(C) Change  
(D) Decrease

RIDERS

Rider I (continued)

**HP Cap-AEPS-Other Charge:**

\$0.01696 per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

**HP Administrative Charge:**

\$0.00003 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$0.00002 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate (“E<sub>HP</sub>”) shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E<sub>HP</sub> 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 September 1, 2018 November 30, 2018, the E<sub>HP</sub> rate is as follows:

(C)

HP Reconciliation Charge Rate = \$(0.02081) per kWh

(I)

(C) Change  
(I) Increase



**Pennsylvania Power Company**  
**Price to Compare Default Service Rate Calculation**  
**Commercial Class: For the Default Service Period September 1, 2018 through November 30, 2018**

**Line  
No.**

	<b>Number of Tranches</b>	<b>Clearing Price</b>	<b>Weighted Clearing Price</b>
<b>Fixed Price Tranche Purchases (\$ per MWh)</b>			
1	1	\$ 64.42	\$ 64.42
2	1	66.74	66.74
3	1	65.20	65.20
4	1	64.34	64.34
5	1	63.85	63.85
6	2	66.59	133.18
7	7		\$ 457.73
8		\$ 65.39	
9		100%	
10			\$ 65.39
11		\$ -	
12		20.00	
13		\$ 20.00	
14		0%	
15			\$ -
16			\$ 0.06539
17			1.0661
18			\$ 0.06971 per kWh
19			\$ 0.00011 per kWh
20			\$ 0.06983
21			1.062699
22			\$ 0.07420 per kWh
23			\$ 0.00128 per kWh
24			\$ 0.07548 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

**Pennsylvania Power Company**  
**Computation of Commercial Class Price to Compare Default Service Rate Reconciliation Factor**  
**Rate Effective September 1, 2018 through November 30, 2018**

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of June 30, 2018 (See Page 3, Line 15)	\$ 210,976
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning June 1, 2018	<u>\$ (118,611)</u>
3	Total Cumulative Commercial Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ 92,365
4	Projected Commercial Class kilowatt hour sales - September 1, 2018 - November 30, 2018 (Line 11)	76,982,575 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00120 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	<b>Commercial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)</b>	<u><u>\$ 0.00128</u></u> per kWh

**Projected Commercial Class kilowatt hour sales September 1, 2018 through November 30,**

8	Sep-18	27,296,914
9	Oct-18	25,086,417
10	Nov-18	<u>24,599,244</u>
11	Total Projected Commercial Class kWh Sales	<u><u>76,982,575</u></u>

**Pennsylvania Power Company**  
**Commercial Class Price to Compare Default Service Rate Reconciliation**  
**April 1, 2018 through June 30, 2018**

Line No.	Description	Apr-18	May-18	Jun-18
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 385,465	\$ 299,112	\$ 290,796
2	Gross Default Service Plan Revenues	\$ 2,037,743	\$ 1,896,210	\$ 2,225,895
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>120,227</u>	<u>111,876</u>	<u>131,328</u>
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 1,917,516	\$ 1,784,334	\$ 2,094,567
5	Plus: Prior Period E-factor Amortization	<u>\$ (24,715)</u>	<u>\$ (24,715)</u>	<u>\$ (128,488)</u>
6	Revenue Available for Current Deferral	\$ 1,892,801	\$ 1,759,619	\$ 1,966,079
<u>Expenses</u>				
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	1,832,709	1,775,669	2,013,851
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
10	Total Expenses	\$ 1,832,709	\$ 1,775,669	\$ 2,013,851
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ (60,092)	\$ 16,050	\$ 47,772
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	4.75%	4.75%	5.00%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	<u>\$ (1,546)</u>	<u>\$ 349</u>	<u>\$ 896</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ 299,112</u>	<u>\$ 290,796</u>	<u>\$ 210,976</u>

**Pennsylvania Power Company**  
**Price to Compare Default Service Rate Calculation**  
**Residential Class: For the Default Service Period September 1, 2018 through November 30, 2018**

**Line  
No.**

	<b>Number of Tranches</b>	<b>Clearing Price</b>	<b>Weighted Clearing Price</b>	
	<b>Fixed Price Tranche Purchases (\$ per MWh)</b>			
1	1	\$ 55.21	\$ 55.21	
2	1	59.89	59.89	
3	1	58.15	58.15	
4	1	60.95	60.95	
5	1	57.94	57.94	
6	<u>2</u>	<u>65.84</u>	<u>131.68</u>	
7	7		\$ 423.82	
8		\$ 60.55		
9		<u>95%</u>		
10			\$ 57.52	
11		\$ 28.94		
12		<u>20.00</u>		
13		\$ 48.94		
14		<u>5%</u>		
15			\$ 2.45	
16			\$ 0.05997	
17			<u>1.0661</u>	
18			\$ 0.06393	<i>per kWh</i>
19			<u>\$ 0.00010</u>	<i>per kWh</i>
20			\$ 0.06403	
21			<u>1.062699</u>	
22			\$ 0.06805	<i>per kWh</i>
23			\$ (0.00179)	<i>per kWh</i>
24			\$ 0.06626	<i>per kWh</i>

- (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

**Pennsylvania Power Company**  
**Computation of Residential Class Price to Compare Default Service Rate Reconciliation Factor**  
**Rate Effective September 1, 2018 through November 30, 2018**

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of June 30, 2018 (See Page 3, Line 15)	\$ 729,546
2	Adjustment for projected Residential Class (Over) / Under Collection through November 2018	(1,150,221)
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning June 1, 2018	<u>(9,910)</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ (430,585)
5	Projected Residential Class kilowatt hour sales - September 1, 2018 - November 30, 2018 (Line 12)	255,596,364 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ (0.00168) per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
8	<b>Residential Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 6 X Line 7)</b>	<b><u>\$ (0.00179) per kWh</u></b>

**Projected Residential Class kilowatt hour sales September 1, 2018 through November 30, 2018**

9	Sep-18	95,864,665
10	Oct-18	80,015,141
11	Nov-18	<u>79,716,559</u>
12	Total Projected Residential Class kWh Sales	<u>255,596,364</u>

**Pennsylvania Power Company**  
**Residential Class Price to Compare Default Service Rate Reconciliation**  
**April 1, 2018 through June 30, 2018**

<b>Line No.</b>	<b>Description</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 293,733	\$ (83,536)	\$ (403,260)
2	Gross Default Service Plan Revenues	\$ 6,726,492	\$ 5,396,817	\$ 6,497,835
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>396,863</u>	<u>318,412</u>	<u>383,372</u>
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 6,329,629	\$ 5,078,405	\$ 6,114,463
5	Plus: Prior Period E-factor Amortization	\$ (939,389)	\$ (939,388)	\$ (97,911)
6	Revenue Available for Current Deferral	\$ 5,390,240	\$ 4,139,017	\$ 6,016,552
	<u>Expenses</u>			
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	5,938,260	4,745,478	7,224,618
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
10	Total Expenses	\$ 5,938,260	\$ 4,745,478	\$ 7,224,618
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 548,020	\$ 606,461	\$ 1,208,066
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	4.75%	4.75%	5.00%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	\$ <u>14,100</u>	\$ <u>13,203</u>	\$ <u>22,651</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	\$ <u>(83,536)</u>	\$ <u>(403,260)</u>	\$ <u>729,546</u>

**Pennsylvania Power Company**  
**Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)**  
**Industrial Class: For the Default Service Period September 1, 2018 through November 30, 2018**

**Line  
No.**

1	<b>HP</b> Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth})) \times \text{HP}_{\text{Loss Multiplier}}$	
2	$\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth}))$	kWh for each hour in billing period
3		LMP = Real Time PJM Load Weighted average LMP for ATSI Zone for each hour
4	<hr/>	HP <sub>Oth</sub> = \$.004 per kWh for Ancillary Services
5	HP Energy Charge (Line 1 x Line 2)	t = An hour in the Billing Period
6	x HP Loss Multiplier	GS Small, Medium, Large = 1.0515 GP = 1.0171 TP = 1.0007
7	<hr/>	
8	HP Energy Charge (Line 4 x Line 5)	
9		
10	<b>HP</b> Cap-AEPS-Other Purchases (\$/MWh)	<b>Price</b>
11	January 2018 (June 18 through May 19)	\$ 16.96 \$/MWh
12		\$ 0.01696 per kWh
13	x HP Loss Multiplier	GS Small, Medium, Large = 1.0515 GP = 1.0171 TP = 1.0007
14	<hr/>	
15	HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
16	<b>HP</b> Administrative Charge	\$ 0.00003 per kWh
17	<b>HP</b> Uncollectibles Charge	\$ 0.00002 per kWh
18	<b>HP</b> Reconciliation Charge	<u>\$ (0.02081) per kWh</u>
19	<b>Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)</b>	<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

**Pennsylvania Power Company**  
**Computation of Industrial Class Hourly Pricing Default Service Rate Reconciliation Factor**  
**Rate Effective September 1, 2018 through November 30, 2018**

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of June 30, 2018 (See Page 3, Line 15)	\$ (674,155)
2	Projected Industrial Class kilowatt hour sales - September 1, 2018 - November 30, 2018 (Line 11)	8,608,051 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.07832) per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>25.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ (0.01958) per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	<b>Industrial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)</b>	<b><u>\$ (0.02081) per kWh</u></b>

**Projected Industrial Class kilowatt hour sales September 1, 2018 through November 30, 2018**

8	Sep-18	2,826,063
9	Oct-18	2,840,575
10	Nov-18	<u>2,941,413</u>
11	Total Projected Industrial Class kWh Sales	<u>8,608,051</u>



**Pennsylvania Power Company**  
**Industrial Class Hourly Pricing Default Service Rate Reconciliation**  
**April 1, 2018 through June 30, 2018**

<b>Line No.</b>	<b>Description</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (703,958)	\$ (683,017)	\$ (675,672)
2	Gross Default Service Plan Revenues	\$ 19,348	\$ 27,934	\$ 34,344
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>1,142</u>	<u>1,648</u>	<u>2,026</u>
4	PTC <sub>HPR</sub> rev Net Default Service Plan Revenues	\$ 18,206	\$ 26,286	\$ 32,317
5	Plus: Prior Period E-factor Amortization	\$ 260,733	\$ 260,733	\$ 234,653
6	Revenue Available for Current Deferral	\$ 278,939	\$ 287,019	\$ 266,970
	<u>Expenses</u>			
7	DS <sub>HPE</sub> exp1 Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>HPE</sub> exp2 Cost to provide Default Service	45,162	39,030	38,125
9	DS <sub>HPE</sub> exp2 Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
10	Total Expenses	\$ 45,162	\$ 39,030	\$ 38,125
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ (233,777)	\$ (247,989)	\$ (228,845)
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	4.75%	4.75%	5.00%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	\$ (6,015)	\$ (5,399)	\$ (4,291)
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	\$ <u>(683,017)</u>	\$ <u>(675,672)</u>	\$ <u>(674,155)</u>