

April 25, 2019

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

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81, Supplement No. 75, 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. 75 to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 81 bearing an issue date of April 25, 2019. The tariff changes contained in Supplement No. 75 are proposed to be effective for service rendered on or after June 1, 2019.

Supplement No. 75 reflects changes in rates consistent with the Commission’s Order entered September 4, 2018 at Docket No. P-2017-2637857, which approved Penelec’s Default Service Program for the period June 1, 2019 through May 31, 2023.

In support of the proposed changes set forth in Tariff No. 81, Supplement No. 75, Penelec 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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Date: April 25, 2019

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**PENNSYLVANIA ELECTRIC COMPANY**  
**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

**The Territory as Defined on  
Page Nos. 8 - 15 of this Tariff**

**Issued: April 25, 2019**

**Effective: June 1, 2019**

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

**NOTICE**

Supplement No. 75 makes changes to Rider N.  
See Seventy-Second 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 170).

RIDERS

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.

(C)

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

(I)

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<sub>C</sub> = 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<sub>Exp1</sub> = 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

**Pennsylvania Electric 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)	GRT ((5) = (3) / (4)) X 100	(6) = 1 / (1-T)	(cents/kwh) (7) = (5) X (6)	
4,885,123	485,774	4,399,350	13,417,114,548	0.033	1.062699	0.035	
(Page 2)	(Page 6)		(Page 4)		T = 5.9%		

**Pennsylvania Electric 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)	13,417,115
2	Solar Photovoltaic Requirement (%)	<u>0.44%</u>
3	Total SPAECs Required (Line 1 x Line 2)	59,478
4	SPAECs Under Contract (Page 3, Column 3 Line 23)	41,500
5	SPAECs Under Contract Costs (Page 3, Column 4 Line 23)	\$ 4,058,965
6	SPAEC Position (Short)/Long (Line 4 - Line 3)	(17,978)
7	SPAEC Market Quote	\$ 45.00
8	SPAEC Spot Market Cost (Line 6 x Line 7)	<u>\$ 809,010</u>
9	Estimated Annual SPAEC Cost (Line 5 + Line 8)	<u>\$ 4,867,975</u>
10	Administrative Costs	17,148
11	Incremental Start-Up Costs	-
12	Carrying Charges on SPAECs Inventory (A)	-
13	Total Projected SPVRC Costs (Lines 9+10+11+12)	<u>\$ 4,885,123</u>
(A) Unrecovered SPAECs Investment as of 4/1/2019		\$ -
Interest		6%
Carrying Charges on SPAECs Investment		\$ -



**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Average SPAEC Price 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	285	625	178,125
3	2/24/2010	285	625	178,125
4	2/24/2010	285	625	178,125
5	2/24/2010	285	625	178,125
6	2/24/2010	285	625	178,125
7	2/24/2010	239	250	59,625
8	6/18/2010	325	250	81,250
9	6/18/2010	274	250	68,500
10	6/18/2010	259	250	64,750
11	11/20/2012	60	5,500	332,365
12	11/20/2012	48	500	24,000
13	11/20/2012	75	1,000	75,000
14	11/20/2013	45	1,000	45,000
15	11/20/2013	50	500	24,985
16	11/20/2013	81	3,500	283,500
17	11/20/2013	48	1,500	71,850
18	8/23/2017	285	625	178,125
19	3/6/2019	76	500	38,000
20	3/6/2019	80	13,000	1,040,000
21	3/6/2019	79	6,000	475,140
22	3/6/2019	63	3,500	218,750
23	Total		41,500	\$ 4,058,965

**Pennsylvania Electric 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	1,081,617,188
2	July	1,133,879,800
3	August	1,164,359,026
4	September	1,127,286,298
5	October	1,041,340,119
6	November	1,059,326,884
7	December	1,138,738,048
8	January-20	1,191,030,014
9	February	1,210,244,570
10	March	1,152,357,357
11	April	1,101,395,592
12	May	1,015,539,653
13	Total	<u>13,417,114,548</u>

Pennsylvania Electric Company  
Solar Photovoltaic Requirements Charge Rider Rates  
Solar Photovoltaic Requirements Charge Over/(Under) Collection from April 2018 - March 2019

Line No.	Description	Month												Total Current Over/(Under) Collection
		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)	
<b>Revenues</b>														
1	Penalty SPVRC Revenues	\$498,155	\$467,315	\$356,745	\$110,657	\$108,401	106,826	\$100,753	\$90,101	\$111,877	\$110,073	\$108,063	\$105,365	\$2,274,330
2	Gross Receipts Tax @ 5.9%	29,391	27,572	21,048	6,529	6,396	6,303	5,944	5,316	6,801	6,494	6,376	6,217	134,185
3	SPVRC Revenues net of GRT [Line 1 - Line 2]	\$468,764	\$439,743	\$335,697	\$104,128	\$102,005	\$100,523	\$94,809	\$84,785	\$105,076	\$103,579	\$101,687	\$99,148	\$2,140,144
4	SPVRC Revenues Applied to E Factor	\$2,751	\$2,581	\$(249,305)	\$(199,028)	\$(195,949)	\$(193,103)	\$(182,126)	\$(162,870)	\$(202,233)	\$(198,973)	\$(195,339)	\$(190,461)	\$(1,964,055)
5	SPVRC Revenues Available for Current Deferral [Line 3 - Line 4]	\$466,013	\$437,162	\$585,002	\$303,156	\$297,954	\$293,626	\$276,935	\$247,915	\$307,849	\$302,552	\$297,026	\$289,609	\$4,104,199
<b>Expenses</b>														
6	Cost of Acquiring SPAECs	\$276,744	\$314,988	\$285,810	\$285,810	\$258,492	\$(241,261)	\$310,064	\$310,064	\$306,532	\$320,883	\$447,795	\$523,334	\$3,359,285
7	SPVRC Administrative Costs	-	-	-	-	-	-	-	-	-	-	-	-	17,148
8	SPVRC Start-up Costs	-	-	-	-	-	-	-	-	-	-	-	-	7,384
9	Sale/Purchase of Excess, Unused, and/or Additional SPAECs	-	-	-	-	-	-	-	-	-	-	-	-	9,765
10	Carrying Charges on Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Total SPVRC Expenses [Line 6 + Line 7 + Line 8 + Line 9 + Line 10]	\$276,744	\$314,988	\$285,810	\$285,810	\$258,492	\$(241,261)	\$310,064	\$310,064	\$306,532	\$320,883	\$447,795	\$523,334	\$3,376,403
12	Net Over/(Under) Collection for the Month [Line 5 - Line 11]	\$189,269	\$122,174	\$319,192	\$37,346	\$39,462	\$534,887	\$(33,129)	\$(62,409)	\$977	\$(18,331)	\$(158,153)	\$(243,489)	\$727,796
<b>Interest</b>														
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	\$18,927	\$11,607	\$28,727	\$3,174	\$3,157	\$40,117	\$(2,319)	\$(4,057)	\$59	\$(1,009)	\$(7,909)	\$(10,957)	\$79,519
17	Total Over/(Under) Collection [Line 12 + Line 16]	\$208,196	\$133,781	\$347,919	\$40,520	\$42,619	\$575,004	\$(35,448)	\$(66,469)	\$1,036	\$(19,339)	\$(166,061)	\$(254,446)	\$807,315

**Pennsylvania Electric Company  
Solar Photovoltaic Requirements Charge Rider Rates  
E-Factor Balances**

Line No.	Month	Revenue Applied to E-Factor	Current Period Over/(Under) Collection	Cumulative E-Factor Balance
		(1)	(2)	(3)
1	Beginning Balance at March 31, 2018			\$ 2,006,699
<u>2018</u>				
2	April	actual 2,751		\$ 2,009,450
3	May	actual 2,581		2,012,031
4	June	actual (249,305)		1,762,726
5	July	actual (199,028)		1,563,698
6	August	actual (195,949)		1,367,749
7	September	actual (193,103)		1,174,646
8	October	actual (182,126)		992,520
9	November	actual (162,870)		829,650
10	December	actual (202,233)		627,417
<u>2019</u>				
11	January	actual (198,973)		428,444
12	February	actual (195,339)		233,105
13	March	actual (190,461)		42,644
14	April	budget (180,224)		(137,580)
15	May	budget (183,961)		(321,541)
16	Total	\$ (2,328,240)		
17	E-Factor for Current Reconciliation Period ended March 31, 2019 (Page 5, Line 17, Col. 13)		\$ 807,315	
18	Total E-Factor to include in rates (Line 15, Col. 3 + Line 17, Col. 2)			\$ 485,774