

April 21, 2020

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81, Supplement No. 96, 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. 96 to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 81 bearing an issue date of April 21, 2020. The tariff changes contained in Supplement No. 96 are proposed to be effective for service rendered on or after June 1, 2020.


This supplement 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 this supplement, 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,

DocuSigned by:  
  
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Joanne M. Savage  
Director – Rates and Regulatory Affairs – PA  
610-921-6525

Enclosures

c: Certificate of Service  
Paul T. Diskin, Bureau of Technical Utility Services (pdiskin@pa.gov)  
Lori Burger, Bureau of Audits (lburger@pa.gov)

**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 21, 2020**

**Effective: June 1, 2020**

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

**NOTICE**

Supplement No. 96 makes changes to Rider N.  
See Ninety-Third Revised Page No. 2.

LIST OF MODIFICATIONS

**Riders**

Rider N – Solar Photovoltaic Requirements Charge Rider rates have been changed and decreased (See Sixth 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.

For service rendered June 1, 2020 through May 31, 2021, the SPVRC shall be equal to 0.027 cents per kWh for all kWh.

(C)

(D)

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

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

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

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

(D) Decrease

**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Rates to be Effective from June 1, 2020 through May 31, 2021**

<u>Budgeted SPVRC</u>				<u>SPVRC Rate w/o</u>		<u>SPRVC Rate</u>
<u>Costs</u>	<u>E factor</u>	<u>Total SPVRC Costs</u>	<u>Sales (kWh)</u>	<u>GRI</u>	<u>Tax Factor</u>	<u>(cents/kwh)</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%	
\$ 3,789,950	\$ 476,355	\$ 3,313,595	13,059,554,233	0.025	1.062699	0.027

**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Forecasted Expenses from June 1, 2020 through May 31, 2021**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Forecasted Distribution - MWh (Page 4, Line 13)	13,059,554
2	Solar Photovoltaic Requirement (%)	0.50%
3	Total SPAECs Required (Line 1 x Line 2)	65,298
4	SPAECs Under Contract (Page 3, Column 3 Line 12)	36,500
5	SPAECs Under Contract Costs (Page 3, Column 4 Line 12)	\$ 2,628,590
6	SPAEC Position (Short)/Long (Line 4 - Line 3)	(28,798)
7	SPAEC Market Quote	\$ 39.50
8	SPAEC Spot Market Cost (Line 6 x Line 7)	<u>\$ 1,137,521</u>
9	Estimated Annual SPAEC Cost (Line 5 + Line 8)	<u>\$ 3,766,111</u>
10	Administrative Costs (Page 5, Column 13, Line 7)	\$ 23,839
11	Incremental Start-Up Costs	-
12	Carrying Charges on SPAECs Inventory (A)	-
13	Total Projected SPVRC Costs (Lines 9+10+11+12)	<u>\$ 3,789,950</u>
	(A) Unrecovered SPAECs Investment as of 4/1/2020	\$ -
	Interest	6%
	Carrying Charges on SPAECs Investment	<u>\$ -</u>

**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Average SPAEC Price for Delivery from June 1, 2020 through May 31, 2021**

<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	11/20/2012	\$ 60	5,500	\$ 332,365
2	11/20/2012	48	500	24,000
3	11/20/2012	75	1,000	75,000
4	11/20/2013	45	1,000	45,000
5	11/20/2013	50	500	24,985
6	11/20/2013	81	3,500	283,500
7	11/20/2013	48	1,500	71,850
8	3/6/2019	76	500	38,000
9	3/6/2019	80	13,000	1,040,000
10	3/6/2019	79	6,000	475,140
11	3/6/2019	63	3,500	218,750
12	Total		<u>36,500</u>	<u>\$ 2,628,590</u>

**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Solar Photovoltaic Requirements Charge Forecasted kWh Sales from June 1, 2020 - May 31, 2021**

<u>Line No.</u>	<u>Month</u>	<u>kWh</u>
1	June-20	1,042,745,135
2	July	1,095,526,897
3	August	1,144,342,176
4	September	1,092,143,633
5	October	1,019,353,654
6	November	1,018,217,876
7	December	1,099,526,435
8	January-21	1,172,278,158
9	February	1,186,008,063
10	March	1,127,075,215
11	April	1,066,984,474
12	May	<u>995,352,517</u>
13	Total	<u>13,059,554,233</u>



**Pennsylvania Electric Company**  
**Solar Photovoltaic Requirements Charge Rider Rates**  
**Solar Photovoltaic Requirements Charge Over/(Under) Collection from April 2019 - March 2020**

<u>Line No.</u>	<u>Description</u>	<u>Apr-19</u> (1)	<u>May-19</u> (2)	<u>Jun-19</u> (3)	<u>Jul-19</u> (4)	<u>Aug-19</u> (5)	<u>Sep-19</u> (6)	<u>Oct-19</u> (7)	<u>Nov-19</u> (8)	<u>Dec-19</u> (9)	<u>Jan-20</u> (10)	<u>Feb-20</u> (11)	<u>Mar-20</u> (12)	<u>Total Current Over/(Under) Collection</u> (13)
<u>Revenues</u>														
1	Penelec SPVRC Revenues	\$97,323	\$90,815	\$185,038	\$390,645	\$422,576	\$391,334	\$375,007	\$366,242	\$399,300	\$402,930	\$397,363	\$402,305	\$ 3,920,877
2	Gross Receipts Tax @ 5.9%	5,742	5,358	10,917	23,048	24,932	23,089	22,125	21,608	23,559	23,773	23,444	23,736	231,332
3	SPVRC Revenues net of GRT [Line 1 - Line 2]	\$ 91,581	\$ 85,457	\$ 174,120	\$ 367,597	\$ 397,644	\$ 368,245	\$ 352,881	\$ 344,634	\$ 375,741	\$ 379,157	\$ 373,919	\$ 378,569	\$ 3,689,545
4	SPVRC Revenues Applied to E Factor	(175,925)	(164,161)	(6,600)	(40,172)	(43,908)	(40,661)	(38,965)	(38,054)	(41,489)	(47,395)	(46,740)	(47,321)	(731,391)
5	<b>SPVRC Revenues Available for Current Deferral [Line 3 - Line 4]</b>	\$ 267,506	\$ 249,618	\$ 180,720	\$ 407,769	\$ 441,552	\$ 408,906	\$ 391,846	\$ 382,688	\$ 417,230	\$ 426,552	\$ 420,659	\$ 425,890	\$ 4,420,936
<u>Expenses</u>														
6	Cost of Acquiring SPAECs	\$ 312,049	\$ 248,509	\$ 419,551	\$ 380,460	\$ 380,460	\$ (1,025,746)	\$ 554,120	\$ 556,324	\$ 555,064	\$ 553,930	\$ 553,967	\$ 506,168	\$ 3,994,855
7	SPVRC Administrative Costs	16,775	-	-	4,000	-	-	-	-	1,500	1,564	-	-	23,839
8	SPVRC Start-up Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Sale/Purchase of Excess, Unused, and/or Additional SPAECs	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Carrying Charges on Inventory	-	-	-	-	-	1,497	1,851	353	-	317	317	-	4,336
11	<b>Total SPVRC Expenses [Line 6 + Line 7 + Line 8 + Line 9 + Line 10]</b>	\$ 328,824	\$ 248,509	\$ 419,551	\$ 384,460	\$ 380,460	\$ (1,024,249)	\$ 555,971	\$ 556,677	\$ 556,564	\$ 555,811	\$ 554,284	\$ 506,168	\$ 4,023,030
12	<b>Net Over/(Under) Collection for the Month [Line 5 - Line 11]</b>	\$ (61,318)	\$ 1,109	\$ (238,831)	\$ 23,309	\$ 61,092	\$ 1,433,155	\$ (164,125)	\$ (173,989)	\$ (139,334)	\$ (129,259)	\$ (133,625)	\$ (80,278)	\$ 397,906
<u>Interest</u>														
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	<b>Interest Expense for Regulatory Purposes</b>	\$ (6,132)	\$ 105	\$ (21,495)	\$ 1,981	\$ 4,887	\$ 107,487	\$ (11,489)	\$ (11,309)	\$ (8,360)	\$ (7,109)	\$ (6,681)	\$ (3,613)	\$ 38,272
17	<b>Total Over/(Under) Collection [Line 12 + Line 16]</b>	\$ (67,450)	\$ 1,214	\$ (260,326)	\$ 25,290	\$ 65,979	\$ 1,540,642	\$ (175,614)	\$ (185,298)	\$ (147,694)	\$ (136,368)	\$ (140,306)	\$ (83,891)	\$ 436,178

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

<u>Line No.</u>	<u>Month</u>		Revenue Applied to <u>E-Factor</u> (1)	Current Period Over/(Under) <u>Collection</u> (2)	Cumulative E-Factor <u>Balance</u> (3)
1	Beginning Balance at March 31, 2019				\$ 849,959
	<u>2019</u>				
2	April	actual	\$ (175,925)		\$ 674,034
3	May	actual	(164,161)		509,873
4	June	actual	(6,600)		503,273
5	July	actual	(40,172)		463,101
6	August	actual	(43,908)		419,193
7	September	actual	(40,661)		378,532
8	October	actual	(38,965)		339,567
9	November	actual	(38,054)		301,513
10	December	actual	(41,489)		260,024
	<u>2020</u>				
11	January	actual	(47,395)		212,629
12	February	actual	(46,740)		165,889
13	March	actual	(47,321)		118,568
14	April	budget	(38,697)		79,871
15	May	budget	(39,694)		40,177
16	Total		<u>\$ (809,782)</u>		
17	E-Factor for Current Reconciliation Period ended March 31, 2020 (Page 5, Line 17, Col. 13)			\$ 436,178	
18	Total E-Factor to include in rates (Line 15, Col. 3 + Line 17, Col. 2)				<u>\$ 476,355</u>