

February 3, 2020

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 Revised Rate Changes in Compliance with Pennsylvania Power Company's Default Service Plan, Docket No. M-2020-3016175

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is a copy of revised Supplement No. 74 to Pennsylvania Power Company's ("Penn Power" or the "Company") Tariff Electric Pa. P.U.C. No. 36, which bears an issue date of January 16, 2020. The tariff changes contained in revised Supplement No. 74 are proposed to be effective with service rendered on or after March 1, 2020.

The purpose of this revised supplement is to reflect default service rate changes for the Commercial Customer Class served under the Price to Compare Default Service Rider. These rate changes are consistent with the Commission's Order entered September 4, 2018 at Docket No. P-2017-2637858.

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 rate stated in the tariff's Price to Compare Default Service Rate Rider.

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

Sincerely,



Joanne M. Savage
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Certificate of Service
Paul Diskin, TUS

**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:

Service by e-mail as follows:

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LIST OF MODIFICATIONS

Riders

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

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

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) 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_{Default} 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 March 1, 2020 through May 31, 2020 the PTC_{Default} rates billed by Customer Class are as follows: (C)

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

\$0.07608 per kWh. (I)

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

\$0.06267 per kWh (D)

(C) Change
(I) Increase
(D) Decrease

Pennsylvania Power Company
Price to Compare Default Service Rate Calculation
Commercial Class: For the Default Service Period March 1, 2020 through May 31, 2020

**Line
No.**

	Number of	Clearing	Weighted
	Tranches	Price	Clearing
			Price
	<u>Fixed Price Tranche Purchases (\$ per MWh)</u>		
1	January 2019 Auction (June 19 through May 21)	1	62.64
2	January 2019 Auction (June 19 through May 20)	1	63.67
3	April 2019 Auction (June 19 through May 21)	1	60.87
4	April 2019 Auction (June 19 through May 20)	1	61.45
5	January 2020 Auction (Mar 20 through May 20)	<u>2</u>	<u>53.12</u>
6	Total	6	\$ 106.24
			\$ 354.87
7	Total Average Fixed Price Tranche	\$ 59.15	
8	Times Fixed Portion of Load	<u>100%</u>	
9	Total Fixed Price Cost (Line 7 X Line 8)	\$	59.15
10	Average Variable Hourly Price Tranche	\$ -	
11	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)	<u>20.00</u>	
12	Variable Priced Hourly Cost (Line 10 + Line 11)	\$ 20.00	
13	Times Variable Portion of Load	<u>0%</u>	
14	Total Variable Hourly Priced Cost (Line 12 X Line 13)	\$	-
15	Price to Compare Weighted Average Price ((Line 9 + Line 14) / 1000)	\$	0.05915
16	Times PTC Loss _{Current}	<u>1.0661</u>	
17	Price to Compare Weighted Average Price, including line losses (Line 15 X Line 16)	\$	0.06305 <i>per kWh</i>
18	PTC _{Administrative Charge}	\$	<u>0.00005</u> <i>per kWh</i>
19	PTC _{Current} before PA Gross Receipts Tax (Line 17 + Line 18)	\$	0.06310
20	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]		<u>1.062699</u>
21	PTC_{Current} Commercial Class including PA Gross Receipts Tax (Line 19 X Line 20)	\$	0.06706 <i>per kWh</i>
22	E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 7)	\$	0.00902 <i>per kWh</i>
23	PTC_{Default} Commercial Class (Line 21 + Line 22)	\$	0.07608 <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"

Pennsylvania Power Company
Computation of Commercial Class Price to Compare Default Service Rate Reconciliation Factor
Rate Effective March 1, 2020 through May 31, 2020

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of December 31, 2019 (See Page 3, Line 15)	\$ 577,036
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning December 1, 2019	<u>\$ (93,134)</u>
3	Total Cumulative Commercial Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ 483,902
4	Projected Commercial Class kilowatt hour sales - March 1, 2020 - May 31, 2020 (Line 11)	56,988,749 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00849 per kWh
6	PA Gross Receipt Gross-Up $[1/(1-T)]$ (5.9% Gross Receipts Tax)	<u>1.062699</u>
7	Commercial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)	<u>\$ 0.00902 per kWh</u>

Projected Commercial Class kilowatt hour sales March 1, 2020 through May 31, 2020

8	Mar-20	19,694,987
9	Apr-20	19,144,927
10	May-20	<u>18,148,835</u>
11	Total Projected Commercial Class kWh Sales	<u>56,988,749</u>

Pennsylvania Power Company
Commercial Class Price to Compare Default Service Rate Reconciliation
October 1, 2019 through December 31, 2019

Line No.	Description	Oct-19	Nov-19	Dec-19
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (55,682)	\$ (1,057)	\$ 314,009
2	Gross Default Service Plan Revenues	\$ 1,292,858	\$ 1,221,078	\$ 1,534,544
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>76,279</u>	<u>72,044</u>	<u>90,538</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 1,216,580	\$ 1,149,034	\$ 1,444,006
5	Plus: Prior Period E-factor Amortization	<u>\$ 102,118</u>	<u>\$ 102,118</u>	<u>\$ 18,560</u>
6	Revenue Available for Current Deferral	\$ 1,318,698	\$ 1,251,152	\$ 1,462,566
	<u>Expenses</u>			
7	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS _{Exp2} Cost to provide Default Service	1,272,396	1,459,563	1,702,755
9	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
10	Total Expenses	\$ 1,272,396	\$ 1,459,563	\$ 1,702,755
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ (46,302)	\$ 208,411	\$ 240,189
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%	4.75%
14	DS _{Int} Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	<u>\$ (1,191)</u>	<u>\$ 4,537</u>	<u>\$ 4,278</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ (1,057)</u>	<u>\$ 314,009</u>	<u>\$ 577,036</u>