

April 17, 2019

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-2017- 2637858**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 59 to Pennsylvania Power Company's ("Penn Power" or the "Company") Tariff Electric Pa. P.U.C. No. 36, which bears an issue date of April 17, 2019. The tariff changes contained in Supplement No. 59 are proposed to be effective with service rendered on or after June 1, 2019.

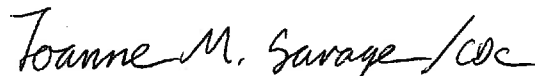
The purpose of Tariff Supplement No. 59 is to reflect: (1) default service rate changes for customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission's Order entered September 4, 2018 at Docket No. P-2017-2637858.

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

- Schedule 1 provides supporting details for the changes to the 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,



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

Enclosures

c: Certificate of Service  
Paul Diskin, Bureau of Technical Utility Services  
Lori Burger, Bureau of Audits

**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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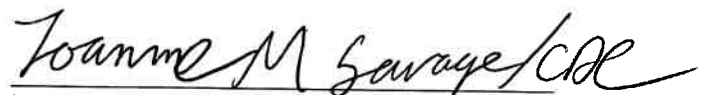
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Date: April 17, 2019

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Supplement No. 59  
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: April 17, 2019**

**Effective: June 1, 2019**

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

**NOTICE**

This Supplement No. 59 makes changes to Rider I.  
See Fifty-Sixth Revised Page 2.

**LIST OF MODIFICATIONS**

**Riders**

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

RIDERS

Rider I (continued)

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

\$0.03200 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.

(I)

**HP Administrative Charge:**

\$0.00051 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(I)

**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.

(C)

For service rendered June 1, 2019 through August 31, 2019, the E<sub>HP</sub> rate is as follows:

HP Reconciliation Charge Rate = (\$0.01606) per kWh

(I)

(I) Increase  
(C) Change

**Pennsylvania Power Company  
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)  
Industrial Class: For the Default Service Period June 1, 2019 through August 31, 2019**

**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/> <b>HP</b> Energy Charge (Line 1 x Line 2)	HP <sub>Oth</sub> = \$.004 per kWh for Ancillary Services
5	x <b>HP</b> Loss Multiplier	t = An hour in the Billing Period GS Small, Medium, Large = 1.0515 GP = 1.0171 TP = 1.0007
6	<hr/> <b>HP</b> Energy Charge (Line 4 x Line 5)	
	<b>HP</b> Cap-AEPS-Other Purchases (\$/MWh)	<b>Price</b>
7	January 2019 (June 19 through May 20)	\$ 32.00 \$/MWh
8		\$ 0.03200 per kWh
9	x <b>HP</b> Loss Multiplier	GS Small, Medium, Large = 1.0515 GP = 1.0171 TP = 1.0007
10	<hr/> <b>HP</b> Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
11	<b>HP</b> Administrative Charge	\$ 0.00051 per kWh
12	<b>HP</b> Uncollectibles Charge	\$ 0.00002 per kWh
13	<b>HP</b> Reconciliation Charge	\$ (0.01606) per kWh
14	<b>Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)</b>	<hr/> <b>\$ x.xxxxx</b>

- (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 June 1, 2019 through August 31, 2019**

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of March 31, 2019 (See Page 3, Line 17)	\$ (501,376)
2	Projected Industrial Class kilowatt hour sales - June 1, 2019 - August 31, 2019 (Line 11)	1,659,207 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.30218) per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>5.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ (0.01511) 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>\$ (0.01606) per kWh</u></b>
 <b>Projected Industrial Class kilowatt hour sales June 1, 2019 through August 31, 2019</b>		
8	Jun-19	588,830
9	Jul-19	524,704
10	Aug-19	<u>545,673</u>
11	Total Projected Industrial Class kWh Sales	<u><u>1,659,207</u></u>



**Pennsylvania Power Company**  
**Industrial Class Hourly Pricing Default Service Rate Reconciliation**  
**January 1, 2019 through March 31, 2019**

Line No.	Description	Jan-19	Feb-19	Mar-19
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (563,672)	\$ (538,026)	\$ (525,593)
2	Gross Default Service Plan Revenues	\$ 48,108	\$ 52,219	\$ 47,011
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>2,838</u>	<u>3,081</u>	<u>2,774</u>
4	PTC <sub>HPR</sub> Rev Net Default Service Plan Revenues	\$ 45,270	\$ 49,138	\$ 44,237
5	Plus: Prior Period E-factor Amortization	<u>\$ 205,835</u>	<u>\$ 205,835</u>	<u>\$ 187,891</u>
6	Revenue Available for Current Deferral	\$ 251,105	\$ 254,973	\$ 232,128
7	Less: Revenue Allocated to Uncollectibles, net of GRT	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 26</u>
8	Revenue Available for Current Deferral	\$ 251,077	\$ 254,945	\$ 232,102
	<u>Expenses</u>			
9	DS <sub>HPE</sub> exp1 Amortization of Start Up Costs	\$ -	\$ -	\$ -
10	DS <sub>HPE</sub> exp2 Cost to provide Default Service	76,101	66,298	71,736
11	DS <sub>HPE</sub> exp2 Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
12	Total Expenses	\$ 76,101	\$ 66,298	\$ 71,736
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ (174,976)	\$ (188,647)	\$ (160,366)
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	5.50%	5.50%	5.50%
16	DS <sub>Int</sub> Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/14))	<u>\$ (5,213)</u>	<u>\$ (4,755)</u>	<u>\$ (3,308)</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ (538,026)</u>	<u>\$ (525,593)</u>	<u>\$ (501,376)</u>