

May 6, 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. 63 to Pennsylvania Power Company’s (“Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 36, which bears an issue date of May 6, 2019. The tariff changes contained in Supplement 63 are proposed to be effective with service rendered on or after June 1, 2019.

The purpose of Tariff Supplement No. 63 is to reflect default service rate changes for the Residential and Commercial Customer Classes 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 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.

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:

**VIA FIRST CLASS MAIL**

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Date: May 6, 2019

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Supplement No. 63  
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: May 6, 2019**

**Effective: June 1, 2019**

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

**NOTICE**

This Supplement No. 63 makes changes to Riders H and I.  
See Sixtieth Revised Page 2.

**LIST OF MODIFICATIONS**

**Riders**

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

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 June 1, 2019 through August 31, 2019 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 (PTC), Rate PNP, PLS, SV, SVD, SM and LED):

\$0.06949 per kWh. (D)

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

\$0.06256 per kWh (D)

(C) Change  
(D) Decrease

**Pennsylvania Power Company**  
**Price to Compare Default Service Rate Calculation**  
**Commercial Class: For the Default Service Period June 1, 2019 through August 31, 2019**

**Line  
No.**

	<b>Number of</b>	<b>Clearing</b>	<b>Weighted</b>	
	<b>Tranches</b>	<b>Price</b>	<b>Clearing</b>	
			<b>Price</b>	
	<b><u>Fixed Price Tranche Purchases (\$ per MWh)</u></b>			
1	January 2019 Auction (June 19 through May 21)	1	62.64	62.64
2	January 2019 Auction (June 19 through May 20)	1	63.67	63.67
3	April 2019 Auction (June 19 through May 21)	1	60.87	60.87
4	April 2019 Auction (June 19 through May 20)	1	61.45	61.45
5	April 2019 Auction (Jun 19 through Aug 19)	<u>2</u>	61.60	<u>123.20</u>
6	Total	6	\$	371.83
7	Total Average Fixed Price Tranche		\$ 61.97	
8	Times Fixed Portion of Load		<u>100%</u>	
9	Total Fixed Price Cost (Line 7 X Line 8)		\$	61.97
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)		\$	0.06197
16	Times PTC Loss <sub>Current</sub>			<u>1.0661</u>
17	Price to Compare Weighted Average Price, including line losses (Line 15 X Line 16)		\$	0.06607 <i>per kWh</i>
18	PTC <sub>Administrative Charge</sub>		\$	<u>0.00005</u> <i>per kWh</i>
19	PTC <sub>Current</sub> before PA Gross Receipts Tax (Line 17 + Line 18)		\$	0.06611
20	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]			<u>1.062699</u>
21	<b>PTC <sub>Current</sub> Commercial Class including PA Gross Receipts Tax (Line 19 X Line 20)</b>		\$	<b>0.07026</b> <i>per kWh</i>
22	<b>E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 7)</b>		\$	<b>(0.00077)</b> <i>per kWh</i>
23	<b>PTC <sub>Default</sub> Commercial Class (Line 21 + Line 22)</b>		\$	<b>0.06949</b> <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 June 1, 2019 through August 31, 2019**

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of March 31, 2019 (See Page 3, Line 15)	\$ 209,878
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning March 1, 2019	<u>\$ (264,005)</u>
3	Total Cumulative Commercial Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ (54,127)
4	Projected Commercial Class kilowatt hour sales - June 1, 2019 - August 31, 2019 (Line 11)	74,513,852 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ (0.00073) 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>\$ (0.00077) per kWh</u></u>
 <b>Projected Commercial Class kilowatt hour sales June 1, 2019 through August 31, 2019</b>		
8	Jun-19	23,333,376
9	Jul-19	24,967,215
10	Aug-19	<u>26,213,261</u>
11	Total Projected Commercial Class kWh Sales	<u><u>74,513,852</u></u>



**Pennsylvania Power Company**  
**Commercial Class Price to Compare 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	\$ 434,256	\$ 541,030	\$ 332,289
2	Gross Default Service Plan Revenues	\$ 2,347,465	\$ 2,475,930	\$ 2,216,501
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	138,500	146,080	130,774
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 2,208,965	\$ 2,329,850	\$ 2,085,727
5	Plus: Prior Period E-factor Amortization	\$ (43,474)	\$ (43,474)	\$ (144,752)
6	Revenue Available for Current Deferral	\$ 2,165,491	\$ 2,286,376	\$ 1,940,975
	<u>Expenses</u>			
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	2,311,392	2,125,173	1,962,865
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	-	-	-
10	Total Expenses	\$ 2,311,392	\$ 2,125,173	\$ 1,962,865
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 145,901	\$ (161,203)	\$ 21,890
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	5.50%	5.50%	5.50%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	\$ 4,347	\$ (4,064)	\$ 451
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	\$ 541,030	\$ 332,289	\$ 209,878

**Pennsylvania Power Company**  
**Price to Compare Default Service Rate Calculation**  
**Residential Class: For the Default Service Period June 1, 2019 through August 31, 2019**

**Line  
No.**

	<b>Number of</b>	<b>Clearing</b>	<b>Weighted</b>	
	<b>Tranches</b>	<b>Price</b>	<b>Clearing</b>	
			<b>Price</b>	
1	<b>Fixed Price Tranche Purchases (\$ per MWh)</b>			
1	1	\$ 58.80	\$	58.80
2	1	60.38		60.38
3	1	59.87		59.87
4	1	60.70		60.70
5	1	58.34		58.34
6	2	60.19		120.38
7	Total	7	\$	418.47
8	Total Average Fixed Price Tranche		\$	59.78
9	Times Fixed Portion of Load			95%
10	Total Fixed Price Cost (Line 8 X Line 9)		\$	56.79
11	Average Variable Hourly Price Tranche		\$	31.80
12	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)			20.00
13	Variable Hourly Priced Cost (Line 11 + Line 12)		\$	51.80
14	Times Variable Portion of Load			5%
15	Total Variable Hourly Priced Cost (Line 13 X Line 14)		\$	2.59
16	Price to Compare Weighted Average Price ((Line 10 + Line 15) / 1000)		\$	0.05938
17	Times PTC Loss <sub>Current</sub>			1.0661
18	Price to Compare Weighted Average Price, including line losses (Line 16 X Line 17)		\$	0.06331 <i>per kWh</i>
19	PTC <sub>Administrative Charge</sub>		\$	0.00004 <i>per kWh</i>
20	PTC <sub>Current</sub> before PA Gross Receipts Tax (Line 18 + Line 19)		\$	0.06335
21	PA Gross Receipt Gross-Up [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699
22	<b>PTC <sub>Current</sub> Residential Class including PA Gross Receipts Tax (Line 20 X Line 21)</b>		\$	0.06732 <i>per kWh</i>
23	<b>E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 8)</b>		\$	(0.00476) <i>per kWh</i>
24	<b>PTC <sub>Default</sub> Residential Class (Line 22 + Line 23)</b>		\$	0.06256 <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 June 1, 2019 through August 31, 2019**

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of March 31, 2019 (See Page 3, Line 15)	\$ (1,607,192)
2	Adjustment for projected Residential Class (Over) / Under Collection through August 2019	(425,346)
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning March 1, 2019	<u>712,239</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ (1,320,299)
5	Projected Residential Class kilowatt hour sales - June 1, 2019 - August 31, 2019 (Line 12)	294,943,213 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ (0.00448) 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>\$ (0.00476) per kWh</u></b>
 <b>Projected Residential Class kilowatt hour sales June 1, 2019 through August 31, 2019</b>		
9	Jun-19	87,140,825
10	Jul-19	100,809,651
11	Aug-19	<u>106,992,737</u>
12	Total Projected Residential Class kWh Sales	<u>294,943,213</u>

**Pennsylvania Power Company**  
**Residential Class Price to Compare 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	\$ 2,297,431	\$ 1,574,729	\$ (823,802)
2	Gross Default Service Plan Revenues	\$ 9,744,182	\$ 10,493,477	\$ 8,387,165
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>574,907</u>	<u>619,115</u>	<u>494,843</u>
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 9,169,275	\$ 9,874,362	\$ 7,892,322
5	Plus: Prior Period E-factor Amortization	\$ (241,604)	\$ (241,603)	\$ (765,810)
6	Revenue Available for Current Deferral	\$ 8,927,671	\$ 9,632,759	\$ 7,126,512
<u>Expenses</u>				
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	8,459,489	7,526,675	7,108,552
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	<u>1,002</u>	<u>2,192</u>	<u>735</u>
10	Total Expenses	\$ 8,460,491	\$ 7,528,867	\$ 7,109,287
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ (467,180)	\$ (2,103,892)	\$ (17,225)
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	5.50%	5.50%	5.50%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	\$ (13,918)	\$ (53,036)	\$ (355)
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ 1,574,729</u>	<u>\$ (823,802)</u>	<u>\$ (1,607,192)</u>