

January 25, 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 – Revised Rate Changes in Compliance with Pennsylvania Power Company’s Default Service Plan, Docket No. P-2015-2511355**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 56 Revised 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 15, 2019. The tariff changes contained in Supplement No. 56 Revised are proposed to be effective with service rendered on or after March 1, 2019.

The purpose of Tariff Supplement No. 56 Revised 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 May 19, 2016 at Docket No. P-2015-2511355.

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.

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

Sincerely,



Charles V. Fullem  
Director of Rates & Regulatory Affairs-PA  
610-921-6525

Enclosures

c: Certificate of Service  
Paul Diskin, TUS

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Joint Petition of Metropolitan Edison</b>	<b>:</b>	<b>Docket Nos. P-2015-2511333</b>
<b>Company, Pennsylvania Electric Company,</b>	<b>:</b>	<b>P-2015-2511351</b>
<b>Pennsylvania Power Company and West</b>	<b>:</b>	<b>P-2015-2511355</b>
<b>Penn Power Company for Approval of</b>	<b>:</b>	<b>P-2015-2511356</b>
<b>their Default Service Program</b>	<b>:</b>	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant.)

**VIA FIRST CLASS MAIL**

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**LIST OF MODIFICATIONS**

**Riders**

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

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

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.

(C)  
For service rendered March 1, 2019 through May 31, 2019 the PTC<sub>Default</sub> rates billed by Customer Class are as follows:

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

\$0.08066 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):

\$0.06414 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, 2019 through May 31, 2019**

**Line  
No.**

	<b>Fixed Price Tranche Purchases (\$ per MWh)</b>	<b>Number of Tranches</b>	<b>Clearing Price</b>	<b>Weighted Clearing Price</b>	
1	October 2016 Auction (June 17 through May 19)	1	\$ 64.42	\$ 64.42	
2	October 2017 Auction (June 18 through May 19)	1	66.74	66.74	
3	January 2017 Auction (June 17 through May 19)	1	65.20	65.20	
4	January 2018 Auction (June 18 through May 19)	1	64.34	64.34	
5	April 2018 Auction (June 18 through May 19)	1	63.85	63.85	
6	January 2019 Auction (Mar 19 through May 19)	2	70.59	141.18	
7	Total	7		\$ 465.73	
8	Total Average Fixed Price Tranche		\$ 66.53		
9	Times Fixed Portion of Load		100%		
10	Total Fixed Price Cost (Line 8 X Line 9)			\$ 66.53	
11	Average Variable Hourly Price Tranche		\$ -		
12	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)		20.00		
13	Variable Priced Hourly Cost (Line 11 + Line 12)		\$ 20.00		
14	Times Variable Portion of Load		0%		
15	Total Variable Hourly Priced Cost (Line 13 X Line 14)			\$ -	
16	Price to Compare Weighted Average Price ((Line 10 + Line 15) / 1000)			\$ 0.06653	
17	Times PTC Loss <sub>Current</sub>			1.0661	
18	Price to Compare Weighted Average Price, including line losses (Line 16 X Line 17)			\$ 0.07093	<i>per kWh</i>
19	PTC <sub>Administrative Charge</sub>			\$ 0.00011	<i>per kWh</i>
20	PTC <sub>Current</sub> before PA Gross Receipts Tax (Line 18 + Line 19)			\$ 0.07104	
21	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]			1.062699	
22	<b>PTC<sub>Current</sub> Commercial Class including PA Gross Receipts Tax (Line 20 X Line 21)</b>			<b>\$ 0.07550</b>	<i>per kWh</i>
23	<b>E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 7)</b>			<b>\$ 0.00516</b>	<i>per kWh</i>
24	<b>PTC<sub>Default</sub> Commercial Class (Line 22 + Line 23)</b>			<b>\$ 0.08066</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".  
(B) All Adders are subject to Quarterly Updates

**Pennsylvania Power Company**  
**Computation of Commercial Class Price to Compare Default Service Rate Reconciliation Factor**  
**Rate Effective March 1, 2019 through May 31, 2019**

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of December 31, 2018 (See Page 3, Line 15)	\$ 434,256
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning December 1, 2018	<u>\$ (49,091)</u>
3	Total Cumulative Commercial Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ 385,165
4	Projected Commercial Class kilowatt hour sales - March 1, 2019 - May 31, 2019 (Line 11)	79,266,245 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00486 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>\$ 0.00516 per kWh</u></u>

**Projected Commercial Class kilowatt hour sales March 1, 2019 through May 31, 2019**

8	Mar-19	28,102,561
9	Apr-19	25,906,897
10	May-19	<u>25,256,788</u>
11	Total Projected Commercial Class kWh Sales	<u><u>79,266,245</u></u>



**Pennsylvania Power Company**  
**Commercial Class Price to Compare Default Service Rate Reconciliation**  
**October 1, 2018 through December 31, 2018**

Line No.	Description	Oct-18	Nov-18	Dec-18
1	Cumulative (Over)/Under Collection at Beginning of Month 1	\$ 130,422	\$ 109,165	\$ 330,249
2	Gross Default Service Plan Revenues	\$ 1,919,477	\$ 1,806,823	\$ 2,174,048
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>113,249</u>	<u>106,603</u>	<u>128,269</u>
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 1,806,228	\$ 1,700,221	\$ 2,045,780
5	Plus: Prior Period E-factor Amortization	<u>\$ (70,325)</u>	<u>\$ (70,326)</u>	<u>\$ (43,474)</u>
6	Revenue Available for Current Deferral	\$ 1,735,903	\$ 1,629,895	\$ 2,002,306
<u>Expenses</u>				
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	1,783,614	1,914,458	2,146,807
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
10	Total Expenses	\$ 1,783,614	\$ 1,914,458	\$ 2,146,807
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 47,711	\$ 284,563	\$ 144,501
12	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
13	Current Month Interest Rate	5.25%	5.25%	5.50%
14	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 12 X (Line 13/12))	<u>\$ 1,357</u>	<u>\$ 6,847</u>	<u>\$ 2,980</u>
15	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 11 + Line 14)	<u>\$ 109,165</u>	<u>\$ 330,249</u>	<u>\$ 434,256</u>

1 The WSJ Prime Rate changed from 5% to 5.25% on September 27, 2018.  
The correction to the beginning balance reflects the update the September interest rate.