

April 29, 2020

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

Re: *Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 36, Supplement No. 78 – Rate Changes in Compliance with Pennsylvania Power Company’s Phase III Energy Efficiency and Conservation Plan*

Dear Secretary Chiavetta:

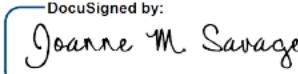
Transmitted herewith for filing with the Pennsylvania Public Utility Commission (“Commission”) are an original of Pennsylvania Power Company’s (“Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 36, Original (“Tariff No. 36”) bearing an issue date of April 29, 2020. The tariff changes contained in Supplement No. 78 are proposed to be effective for service rendered on or after June 1, 2020.

Tariff No. 36, Supplement No. 78 reflects changes in rates consistent with the Commission’s Order entered March 10, 2016 at Docket No. M-2015-2514769, which approved Penn Power’s Phase III Energy Efficiency and Conservation Plan for the period ending May 31, 2021.

In support of the proposed changes set forth in Tariff No. 36, Supplement No. 78, Penn Power is also filing Penn Power Exhibit A, which provides supporting detail for the Company’s Phase III Energy Efficiency and Conservation Charge (“Phase III EE&C-C”) Rates, pursuant to the Company’s Phase III Energy Efficiency and Conservation Charge Rider (Rider F).

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 of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

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

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition for Approval of Energy Efficiency and Conservation Plans Phase III of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company : **Docket No. M-2015-2514767**
Company, Pennsylvania Electric Company, : **Docket No. M-2015-2514768**
Pennsylvania Power Company and West Penn Power Company : **Docket No. M-2015-2514769**
Company : **Docket No. M-2015-2514772**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of §1.54 (relating to service by a party).

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Date: April 29, 2020

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Supplement No. 78
Electric Pa. P.U.C. No. 36

PENNSYLVANIA POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 9 of this Tariff**

Issued: April 29, 2020

Effective: June 1, 2020

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

NOTICE

This Supplement No. 78 makes changes to Rider F.
See Seventy-Fifth Revised Page 2.

LIST OF MODIFICATIONS

Riders

Rider F - Phase III Energy Efficiency and Conservation Charge Rider rates have been changed, increased and decreased (See Eighth Revised Page 113).

RIDERS

RIDER F

PHASE III ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase III EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff. Billing Units are defined as follows:

Residential, Non-profit, Commercial, and Street Lighting Customer Classes: Per kWh

Industrial Customer Class: Per kW PLC

Residential, Non-profit, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase III EE&C-C rates shall be calculated separately for each Customer Class according to the provisions of this rider.

For service rendered June 1, 2020 through May 31, 2021 the Phase III EE&C-C rates billed by Customer Class are as follows: (C)

Residential Customer Class (Rate RS):

0.136 cents per kWh (D)

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

0.772 cents per kWh (I)

Commercial Customer Class (Rate GS, GS Special Rider GSDS, Rate GM, Rate GS-Large and PLS):

0.124 cents per kWh (I)

Street Lighting Customer Class (Rate Schedules SV, SVD, SM and LED):

0.397 cents per kWh (D)

Industrial Customer Class (Rate GP, and Rate GT):

\$ 0.54 per kW PLC (D)

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

**Calculation of Pennsylvania Power Company's Phase III Energy Efficiency and Conservation ("EE&C-C") Charge ("EE&C-C") Rates
For the Rate Period June 1, 2020 through May 31, 2021**

Line No.	Description	Penn Power Residential Customer Class (1)	Penn Power Non-profit Customer Class (2)	Penn Power Commercial Customer Class (3)	Penn Power Street Lighting Customer Class (4)	Penn Power Industrial Customer Class (5)	Penn Power Total (6)
1	Total Penn Power Projected Program Costs for the period June 1, 2020 through May 31, 2021 subject to 2% cap	\$ 3,157,958	\$ 83,114	\$ 1,249,097	\$ 39,727	\$ 1,471,520	\$ 6,001,417
2	Penn Power's Share of Statewide Evaluator Costs (June 1, 2020 through May 31, 2021)	<u>37,887</u>	<u>997</u>	<u>14,986</u>	<u>477</u>	<u>17,654</u>	<u>72,000</u>
3	Total Penn Power Projected Program Costs including Statewide Evaluator Cost for the period June 1, 2020 through May 31, 2021 (Line 1 + Line 2)	\$ 3,195,845	\$ 84,111	\$ 1,264,083	\$ 40,204	\$ 1,489,174	\$ 6,073,417
4	Estimated kWh or kW for the period April 1, 2020 to May 31, 2020	\$ 229,401,668 kWhs	\$ 561,067 kWhs	\$ 204,436,234 kWhs	\$ 612,104 kWhs	\$ 394,141 kWhs	
5	Phase III EEC Rate in effect from June 1, 2019- May 31, 2020	\$ 0.00247 per kWh	\$ 0.00490 per kWh	\$ 0.00099 per kWh	\$ 0.03045 per kWh	\$ 0.80 per kW	
6	Projected Penn Power Phase III Revenues for the period April 1, 2020 to May 31, 2020 (Line 4 X Line 5)	566,622	2,749	202,392	18,639	315,313	1,105,715
7	Phase III over/(under) collection through March 31, 2020	<u>572,419</u>	<u>53,991</u>	<u>(442,591)</u>	<u>7,614</u>	<u>(23,810)</u>	<u>167,623</u>
8	Total to be collected June 1, 2020 to May 31, 2021 (Line 3 - Line 6 - Line 7)	<u>\$ 2,056,803</u>	<u>\$ 27,370</u>	<u>\$ 1,504,282</u>	<u>\$ 13,952</u>	<u>\$ 1,197,672</u>	<u>\$ 4,800,080</u>
9	Customer Class Projected Kilowatt-Hours ("kWh") Delivered or Peak Load Contribution Kilowatt ("kW") for June 1, 2020 - May 31, 2021	1,606,169,764 kWhs	3,765,515 kWhs	1,285,201,014 kWhs	3,732,740 kWhs	2,364,846 kWhs	
10	Phase III EE&C-C Rates Before Pa Gross Receipts Tax Gross-Up Factor (Line 8 / Line 9)	\$ 0.00128 per kWh	\$ 0.00727 per kWh	\$ 0.00117 per kWh	\$ 0.00374 per kWh	\$ 0.50645 per kW	
11	Pa Gross Receipts Tax Gross-Up Factor [1 / (1-T) with T = 5.90% Pa Gross Receipts Tax in Base Rates]	<u>1.062699</u>	<u>1.062699</u>	<u>1.062699</u>	<u>1.062699</u>	<u>1.062699</u>	
12	Proposed Phase III EE&C-C Rates Effective June 1, 2020 (Line 10 X Line 11)	<u>\$ 0.00136</u> per kWh	<u>\$ 0.00772</u> per kWh	<u>\$ 0.00124</u> per kWh	<u>\$ 0.00397</u> per kWh	<u>\$ 0.54</u> per kW	

(A) Pennsylvania's Act 129 of 2008 states that the maximum annual cost recovery for Energy Efficiency and Conservation Programs cannot exceed 2% of the electric distribution company's total annual revenue as of December 31, 2006.

(B) For purposes of the Industrial class rate calculation, the billing unit is equal to the Peak Load Share in kWhs.

(C) All costs and revenue estimates are current budgets, and subject to modification at a future date. The Statewide Evaluator Cost utilized is the estimate based on the expense to be incurred for Phase III.

13	Percentage of Projected Program costs to allocate SWE cost	52.62%	1.38%	20.81%	0.66%	24.52%	100.00%
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