

November 20, 2018

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

**Re: Pennsylvania Electric Company Tariff Pa. P.U.C. No. 81, Supplement No. 64 –
Changes for Non-Utility Generation Charge Rider Rates Related to Default
Service Plan, Docket No. P-2009-2093054**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is Supplement No. 64 to Pennsylvania Electric Company's ("Penelec" or the "Company") Tariff Electric Pa. P.U.C. No. 81, which bears an issue date of November 20, 2018. The tariff changes contained in Supplement No. 64 are proposed to be effective with service rendered on or after December 1, 2018.

The purpose of Tariff Supplement No. 64 is to reflect changes to the Non-Utility Generation ("NUG") Charge Rider rates. The attached file provides supporting details for the changes to the NUG Charge Rider rates. These rate changes are consistent with the Commission's Order at Docket No. P-2009-2093054.

If you have any questions regarding the enclosed documents, please contact me at (610) 921-6525.

Sincerely,



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

Enclosures

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

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT PETITION OF : **Docket No. P-2009-2093054**
PENNSYLVANIA ELECTRIC :
COMPANY FOR APPROVAL OF :
THEIR DEFAULT SERVICE :
PROGRAMS :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of Pennsylvania Electric Company's Tariff Electric Pa. P.U.C. No. 81 – Supplement No. 64 and accompanying supporting documentation upon the individuals listed below in accordance with the requirements of 52 Pa. Code § 1.54:

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November 20, 2018



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PENNSYLVANIA ELECTRIC COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 15 of this Tariff**

Issued: November 20, 2018

Effective: December 1, 2018

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

NOTICE

Supplement No. 64 changes Rider P.
See Sixty-First Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider P – NUG Rider rates have been decreased (See Fifteenth Revised Page 178).

RIDERS

Rider P (continued)

- S = The Company’s total Delivery Service kWh sales by NUG Rate Group projected for the NUG Billing Quarter that the NUC-C rates will be in effect.
- T = The Pennsylvania gross receipts tax rate in effect during the billing month, expressed in the same decimal form used to express the Pennsylvania gross receipts tax rate that is employed in the Company’s base rates.

<u>Table 1</u>	NUG Rate Group Allocation Factors	NUG Rate By Group In Cents per kWh
<u>NUG Rate Group</u>		
NUG Rate Group 1 - Rate Schedule RS	.30716	0.182 (D)
NUG Rate Group 2 - Rate Schedule GS Volunteer Fire Company Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, GS – Small, GS – Medium, GS Large, H, OAL, STLT, SLED, and BRD	.35519	0.236 (D)
NUG Rate Group 3 - Rate Schedule GP	.12306	0.212 (D)
NUG Rate Group 4 - Rate Schedule LP	.21459	0.249 (D)

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff.

The NUG-C rates shall be filed quarterly with the Commission 10 days prior to the effective date of the rate changes.

The Non-Utility Generation Charge Rider shall be subject to review and audit by the Commission.

(D) Decrease

**Pennsylvania Electric Company
NUG Charge Rider**

Rates to be Effective from December 1, 2018 through February 28, 2019
(Cents/kWh)

<u>Line No.</u>	<u>Description</u>	<u>RS</u> (1)	<u>BRD</u> (2)	<u>GP</u> (3)	<u>LP</u> (4)	<u>Total Company</u> (5)
			<u>GSS/GSM/GSL/ GSV/H/OL/ST/</u>			
1	NUG-C Delta Market (page 2, line 5, col. 4)	\$ 3,841,712	\$ 3,841,712	\$ 3,841,712	\$ 3,841,712	
2	NUG Rate Group Allocation Factor	<u>0.30716</u>	<u>0.35519</u>	<u>0.12306</u>	<u>0.21459</u>	
3	Above Market NUG Cost (line 1 x line 2)	\$ 1,180,020	\$ 1,364,538	\$ 472,761	\$ 824,393	\$ 3,841,712
4	E- Factor (pages 4, 6, 8, & 10, line 8, col. 7)	\$ 944,791	\$ 1,255,798	\$ 464,454	\$ 813,872	\$ 3,478,916
5	Total NUG Costs (line 3 + line 4)	\$ 2,124,811	\$ 2,620,336	\$ 937,215	\$ 1,638,265	\$ 7,320,628
6	Three Months Delivery Sales from Forecast - kWh (page 3, line 4)	<u>1,239,984,638</u>	<u>1,177,957,032</u>	<u>470,022,010</u>	<u>699,754,713</u>	<u>3,587,718,393</u>
7	NUG Charge Rate Before Tax Gross Up in cents/kWh [(line 5 / line 6) x 100]	0.171	0.222	0.199	0.234	
8	Tax Gross Up [1/(1-T)] T=5.9%	<u>1.062699</u>	<u>1.062699</u>	<u>1.062699</u>	<u>1.062699</u>	
9	NUG Charge Rates (line 7 x line 8)	0.182	0.236	0.212	0.249	

Pennsylvania Electric Company
NUG Charge Rider
NUG Cost and Market Value 2018 - 2019 Forecast

<u>Line No.</u>	<u>Description</u>	<u>December</u> (1)	<u>January</u> (2)	<u>February</u> (3)	<u>3 Month Total</u> (4)
<u>OPERATING NUGS</u>					
1	Total NUG cost	\$ 6,727,127	\$ 6,514,517	\$ 6,207,891	\$ 19,449,535
2	Market value of NUGs	<u>5,397,741</u>	<u>5,246,245</u>	<u>4,947,749</u>	<u>15,591,736</u>
3	Above market NUG cost	\$ 1,329,386	\$ 1,268,271	\$ 1,260,142	\$ 3,857,799
4	Jurisdictional Allocation Factor				<u>0.99583</u>
5	Total Jurisdictional Above Market NUG Cost (line 3 x line 4)				<u>\$ 3,841,712</u>

Pennsylvania Electric Company
NUG Charge Rider
Sales Forecast -- 2018 - 2019
(kWh)

<u>Line No.</u>	<u>Month</u>	<u>RS</u> (1)	<u>BRD</u> (2)	<u>GP</u> (3)	<u>LP</u> (4)	<u>Total</u> (5)
		GSS/GSM/GSL/ GSV/H/OL/ST/				
1	December	380,631,409	377,602,381	151,138,855	244,137,593	1,153,510,238
2	January	431,108,700	397,968,851	155,861,050	224,617,842	1,209,556,442
3	February	428,244,529	402,385,801	163,022,105	230,999,279	1,224,651,713
4	Total Sales - kWh (line 1 + line 2 + line 3)	<u>1,239,984,638</u>	<u>1,177,957,032</u>	<u>470,022,010</u>	<u>699,754,713</u>	<u>3,587,718,393</u>

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate RS

Line No.	Month	(1) NUG Revenues	(2) NUG Revenues Applied to Prior Period E - Factor	(3) = (1) - (2) Current NUG Revenues	(4) Above Market NUG Cost Retail Sales	(5) = (4) - (3) (Over)/Under Collection	(6) Unamortized Prior Period E-Factor Balance	(7) = (5) + (6) Total E - Factor
1	May 2018	\$ 287,406	\$ (258,502)	\$ 545,908	\$ 837,821	\$ 291,913		
2	June	451,592	427,124	24,468	948,654	924,186		
3	July	824,701	427,124	397,577	974,993	577,416		
4	Quarter	\$ 1,563,699	\$ 595,745	\$ 967,954	\$ 2,761,468	\$ 1,793,514	\$ -	\$ 1,793,514
5	August	\$ 848,403	\$ 427,124	\$ 421,279	\$ 1,043,414	\$ 622,135		
6	September	1,022,880	597,838	425,042	743,747	318,705		
7	October	1,015,234	597,838	417,396	421,347	3,951		
8	Quarter	\$ 2,886,517	\$ 1,622,800	\$ 1,263,717	\$ 2,208,508	\$ 944,791	\$ -	\$ 944,791
9	Total	\$ 4,450,216	\$ 2,218,546	\$ 2,231,670	\$ 4,969,976	\$ 2,738,306		

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate RS

Line No.	Month	(1)	(2)	(3)
		Prior Period (Over)/Under Collection to be Amortized	NUG Revenues Applied to Prior Period Amortization	Total (Over)/Under Collection Balance
1	Beg. Balance at April 30, 2018			\$ (258,502)
2	May 2018	\$ -	\$ (258,502)	-
3	June	1,281,372	427,124	854,248
4	July	-	427,124	427,124
5	August	-	427,124	-
6	September	1,793,514	597,838	1,195,676
7	October	-	597,838	597,838
8	November	-	597,838	-
9	Total		\$ 2,816,384	

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rates GS, et. al

Line No.	Month	NUG Revenues (1)	NUG Revenues Applied to Prior Period E - Factor (2)	Current NUG Revenues (3) = (1) - (2)	Above Market NUG Cost Retail Sales (4)	Current (Over)/Under Collection (5) = (4) - (3)	Unamortized Prior Period E-Factor Balance (6)	Total E - Factor (7) = (5) + (6)
1	May 2018	\$ 431,912	\$ (234,079)	\$ 665,991	\$ 968,830	\$ 302,839		
2	June	607,983	517,496	90,487	1,096,993	1,006,506		
3	July	896,661	517,496	379,165	1,127,451	748,286		
4	Quarter	\$ 1,936,557	\$ 800,914	\$ 1,135,643	\$ 3,193,274	\$ 2,057,631	\$ -	\$ 2,057,631
5	August	\$ 923,091	\$ 517,496	\$ 405,595	\$ 1,206,571	\$ 800,976		
6	September	1,055,820	685,877	369,943	860,045	490,102		
7	October	1,208,389	685,877	522,512	487,232	(35,280)		
8	Quarter	\$ 3,187,300	\$ 1,889,251	\$ 1,298,050	\$ 2,553,848	\$ 1,255,798	\$ -	\$ 1,255,798
9	Total	\$ 5,123,857	\$ 2,690,165	\$ 2,433,692	\$ 5,747,122	\$ 3,313,430		

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rates GS, et al

Line No.	Month	(1)	(2)	(3)
		Prior Period (Over)/Under Collection to be Amortized	NUG Revenues Applied to Prior Period Amortization	Total (Over)/Under Collection Balance
1	Beg. Balance at April 30, 2018			\$ (234,079)
2	May 2018	\$ -	\$ (234,079)	\$ -
3	June	1,552,489	517,496	1,034,993
4	July	-	517,496	517,496
5	August	-	517,496	-
6	September	2,057,631	685,877	1,371,754
7	October	-	685,877	685,877
8	November	-	685,877	-
9	Total		\$ 3,376,042	

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate GP

Line No.	Month	(1) NUG Revenues	(2) NUG Revenues Applied to Prior Period E - Factor	(3) = (1) - (2) Current NUG Revenues	(4) Above Market NUG Cost Retail Sales	(5) = (4) - (3) Current (Over)/Under Collection	(6) Unamortized Prior Period E-Factor Balance	(7) = (5) + (6) Total E - Factor
1	May 2018	\$ 162,204	\$ (71,516)	\$ 233,720	\$ 335,663	\$ 101,943		
2	June	210,348	187,263	23,085	380,067	356,982		
3	July	314,879	187,263	127,616	390,619	263,003		
4	Quarter	\$ 687,431	\$ 303,010	\$ 384,421	\$ 1,106,349	\$ 721,928	\$ -	\$ 721,928
5	August	\$ 308,088	\$ 187,263	\$ 120,825	\$ 418,032	\$ 297,207		
6	September	334,196	240,643	93,553	297,973	204,420		
7	October	446,623	240,643	205,981	168,808	(37,173)		
8	Quarter	\$ 1,088,907	\$ 688,548	\$ 420,359	\$ 884,813	\$ 464,454	\$ -	\$ 464,454
9	Total	\$ 1,776,338	\$ 971,558	\$ 804,780	\$ 1,991,162	\$ 1,186,382		

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate GP

Line No.	Month	(1)	(2)	(3)
		Prior Period (Over)/Under Collection to be Amortized	NUG Revenues Applied to Prior Period Amortization	Total (Over)/Under Collection Balance
1	Beg. Balance at April 30, 2018			\$ (71,516)
2	May 2018	\$ -	\$ (71,516)	\$ -
3	June	561,789	187,263	374,526
4	July	-	187,263	187,263
5	August	-	187,263	-
6	September	721,928	240,643	481,285
7	October	-	240,643	240,643
8	November	-	240,643	-
9	Total		\$ 1,212,200	

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate LP

Line No.	Month	(1) NUG Revenues	(2) NUG Revenues Applied to Prior Period E - Factor	(3) = (1) - (2) Current NUG Revenues	(4) Above Market NUG Cost Retail Sales	(5) = (4) - (3) Current (Over)/Under Collection	(6) Unamortized Prior Period E-Factor Balance	(7) = (5) + (6) Total E - Factor
1	May 2018	\$ 217,384	\$ (185,766)	\$ 403,150	\$ 585,324	\$ 182,174		
2	June	331,169	299,281	31,888	662,755	630,867		
3	July	495,626	299,281	196,346	681,156	484,810		
4	Quarter	\$ 1,044,180	\$ 412,796	\$ 631,384	\$ 1,929,235	\$ 1,297,851	\$ -	\$ 1,297,851
5	August	\$ 543,816	\$ 299,281	\$ 244,535	\$ 728,967	\$ 484,422		
6	September	580,186	432,617	147,569	519,601	372,032		
7	October	769,563	432,617	336,946	294,364	(42,582)		
8	Quarter	\$ 1,893,565	\$ 1,164,515	\$ 729,050	\$ 1,542,922	\$ 813,872	\$ -	\$ 813,872
9	Total	\$ 2,937,744	\$ 1,577,310	\$ 1,360,434	\$ 3,472,157	\$ 2,111,723		

Pennsylvania Electric Company
NUG Charge Rider
E - Reconciliation Factor
Rate LP

Line No.	Month	(1) Prior Period (Over)/Under Collection to be Amortized	(2) NUG Revenues Applied to Prior Period Amortization	(3) Total (Over)/Under Collection Balance
1	Beg. Balance at April 30, 2018	\$		\$ (185,766)
2	May 2018		\$ (185,766)	-
3	June	897,842	299,281	598,561
4	July	-	299,281	299,280
5	August	-	299,281	-
6	September	1,297,851	432,617	865,234
7	October	-	432,617	432,617
8	November	-	432,617	-
9	Total		<u>\$ 2,009,927</u>	