Supplement No. 17 to

Electric-Pa. P. U. C. No. 38

### WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

### THE PENNSYLVANIA STATE UNIVERSITY

Issued: April 28, 2017 Effective: June 1, 2017

BY: Steven E. Strah, President

Reading, Pennsylvania

**NOTICE**

Supplement No. 17 makes changes to Rider J.

See Sixteenth Revised Page No. 2.

WEST PENN POWER COMPANY Electric-Pa. P. U. C. No. 38 (Supp. 17)

Sixteenth Revised Page 2

Superseding Fifteenth Revised Page 2

LIST OF MODIFICATIONS

Rider J – Default Service Support Rider rates have been changed and decreased (See Fifth Revised Page 26, Fourth Revised Page 27 and Second Revised Page 27A).

Issued: April 28, 2017 Effective: June 1, 2017

WEST PENN POWER COMPANY Electric-Pa. P. U. C. No. 38 (Supp. 17)

Fifth Revised Page 26

Superseding Fourth Revised Page 26

RIDERS

RIDER J

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) Rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a dollar per kW NSPL. The DSS Rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS Rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Computational Year, the DSS rate billed by Customer Class as follows:

Industrial Customer Class:

$0.878 per kW NSPL (D)

The DSS Rate shall be calculated annually in accordance with the formula set forth below:

DSS Rate = [NMB + RE + CEC] X [1 / (1-T)]

The components of the formula are defined below

**Non-Market Based Services Transmission Charges**

NMB = (NMBC – E) / S

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMBC = Forecasted NMB costs applicable to the Company’s DSS Sales. Forecasted NMB costs shall include FERC approved costs for (i) PJM Regional Transmission Expansion Plan charges; (ii) PJM Expansion Cost Recovery; (iii) PJM charges for Reliability Must Run generating unit declarations and charges associated with plants deactivated after July 24, 2014, the date of the PaPUC approval of the Company’s Default Service Program at Docket No. P-2013-2391378; (iv) historical tie line, generation, and retail customer meter adjustments; (v) Unaccounted for Energy; and (vi) any other FERC-approved PJM transmission charges billed to the Company by PJM that will not be reconciled through the Company’s Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider and are approved by the Commission for recovery under this rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class’s contribution to the total Company Network Service Peak Load.

(D) Decrease

Issued: April 28, 2017 Effective: June 1, 2017

WEST PENN POWER COMPANY Electric-Pa. P. U. C. No. 38 (Supp. 17)

Fourth Revised Page 27

Superseding Third Revised Page 27

Rider J (continued) (C)

E= The over or under-collection of the NMBC that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S= The Company’s total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year

The NMB rates to be included in DSS Rates are as follows:

Industrial Customer Class:

$0.826 per kW NSPL (D)

**Retail Enhancements**

RE = [(REc – E) / S]

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.

REc= The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.

(C)

E = The over or under-collection of the REC that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

(C) Change

(D) Decrease

Issued: April 28, 2017 Effective: June 1, 2017

WEST PENN POWER COMPANY Electric-Pa. P. U. C. No. 38 (Supp. 17)

Second Revised Page 27A

Superseding First Revised Page 27A

RIDERS

Rider J (continued)

S = The Company’s total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The RE rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class:

$0.000 per kW NSP

**Customer Education Charges**

CEC = (CECC – E) / S

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.

CECC = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Program Cost Recovery Rider.

(C)

E = The over or under-collection of the CECC that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly for the over or under collection at the prime rate of interest for commercial banking, not to exceed the legal rate of interest, in effect on the last day of the month the over and under collection occurs, as reported in the *Wall Street Journal*, to the effective month that the over collection is refunded or the under collection is collected.

S = The Company’s total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The CEC rates by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class:

$0.000 per kW NSPL

(C) Change

Issued: April 28, 2017 Effective: June 1, 2017