

April 17, 2019

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: West Penn Power Company Tariff Electric Pa. P.U.C. No. 40 and West Penn Power Company-The Pennsylvania State University Tariff Electric Pa. P.U.C. No. 38 – Rate Changes in Compliance with West Penn Power Company’s Default Service Plan, Docket No. P-2017-2637866

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") are original copies of Supplement No. 55 to West Penn Power Company’s (“West Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 40 and Supplement No. 36 to West Penn Power Company – The Pennsylvania State University’s (“West Penn Power-PSU”) Tariff Electric Pa. P.U.C. No. 38, bearing issue dates of April 17, 2019. The tariff changes contained in Supplement Nos. 55 and 36 are proposed to be effective with service rendered on or after June 1, 2019.

The purpose of Tariff Supplement Nos. 55 and 36 are to reflect: (1) default service rate changes for customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission’s Order entered September 4, 2018 at Docket No. P-2017-2637866.

As support for the rate changes, the following schedules accompany this tariff filing:

- Schedule 1 provides supporting details for the changes to the Hourly Pricing Default Service Reconciliation Charge rate for West Penn Power Tariff Electric Pa. P.U.C. No. 40 and West Penn Power-PSU Tariff Electric Pa. P.U.C. No. 38 contained in the Hourly Pricing Default Service 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, Bureau of Technical Utility Services
Lori Burger, Bureau of Audits

**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:

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WEST PENN POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 7 - 14 of this Tariff**

Issued: April 17, 2019

Effective: June 1, 2019

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

NOTICE

This Supplement No. 55 makes changes to Rider I.
See Fifty-Second Revised Page 2.

LIST OF MODIFICATIONS

Riders

Rider I – Hourly Pricing Default Service Rider rates have been changed and increased (See Seventeenth Revised Page 181).

RIDERS

Rider I (continued)

HP _{Loss Multipliers} :	Rates 20 and 30	1.0899
	Rate 35	1.0678
	Rates 40, 44 and 46	1.0356

HP Cap-AEPS-Other Charge:

\$0.01343 per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the HP_{Loss Multipliers}. This charge is subject to quarterly adjustments.

(I)

HP Administrative Charge:

\$0.00056 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(I)

HP Uncollectibles Charge:

\$0.00012 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider.

(C)

For service rendered June 1, 2019 through August 31, 2019, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = (\$0.00671) per kWh

(I)

(C) Change
 (I) Increase

WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

THE PENNSYLVANIA STATE UNIVERSITY

Issued: April 17, 2019

Effective: June 1, 2019

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

NOTICE

Supplement No. 36 makes changes to Rider I.
See Thirty-Fifth Revised Page No. 2.

WEST PENN POWER COMPANY

Electric-Pa. P. U. C. No. 38 (Supp. 36)
Thirty-Fifth Revised Page No. 2
Superseding Thirty-Fourth Revised Page No. 2

LIST OF MODIFICATIONS

Rider I – Hourly Pricing Default Service Rider rates have been changed and increased (See Seventeenth Revised Page 23).

Issued: April 17, 2019

Effective: June 1, 2019

RIDERS

Rider I (continued)

HP Cap-AEPS-Other Charge:

\$0.01343 per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the HP_{Loss} Multipliers. This charge is subject to quarterly adjustments. (I)

HP Administrative Charge:

\$0.00056 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service. (I)

HP Uncollectibles Charge:

\$0.00012 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (" E_{HP} ") shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider.

For service rendered June 1, 2019 through August 31, 2019, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = (\$0.00671) per kWh (I)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales}$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

(C) Change
(I) Increase

**West Penn Power Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period June 1, 2019 through August 31, 2019**

**Line
No.**

1	HP Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPO}_{th}) \times \text{HP}_{\text{Loss Multiplier}}$	
2	$\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPO}_{th})$	kWh for each hour in billing period
3		LMP = Real Time PJM Load Weighted average LMP for APS Zone for each hour
4	<hr/>	HP _{Oth} = \$.004 per kWh for Ancillary Services
5	HP Energy Charge (Line 1 x Line 2)	t = An hour in the Billing Period
6	x HP Loss Multiplier	Rates 20 and 30 = 1.0899 Rate 35 = 1.0678 Rates 40, 44, 46, and PSU = 1.0356
7	<hr/>	
8	HP Cap-AEPS-Other Purchases (\$/MWh)	Price
9	January 2019 (June 19 through May 20)	\$ 13.43 \$/MWh
10		\$ 0.01343 per kWh
11	x HP Loss Multiplier	Rates 20 and 30 = 1.0899 Rate 35 = 1.0678 Rates 40, 44, 46, and PSU = 1.0356
12	<hr/>	
13	HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
14	HP Administrative Charge	\$ 0.00056 per kWh
15	HP Uncollectibles Charge	\$ 0.00012 per kWh
16	HP Reconciliation Charge	\$ (0.00671) per kWh
17	Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)	<u><u>\$ x.xxxxx</u></u>

- (A) All Hourly Pricing Service Charge computations will be pursuant to the terms of the Company's "Hourly Pricing Default Service Rider".
(B) All Adders are subject to Quarterly Updates

West Penn Power Company
Computation of Industrial Class Hourly Pricing Default Service Rate Reconciliation Factor
Rate Effective June 1, 2019 through August 31, 2019

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of March 31, 2019 (Page 3, Line 17)	\$ (1,595,240)
2	Projected Industrial Class kilowatt hour sales - June 1, 2019 - August 31, 2019 (Line 11)	63,176,822 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.02525) per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>25.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ (0.00631) per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	Industrial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)	<u>\$ (0.00671) per kWh</u>
 Projected Industrial Class kilowatt hour sales June 1, 2019 through August 31, 2019		
8	Jun-19	21,134,237
9	Jul-19	20,202,525
10	Aug-19	<u>21,840,060</u>
11	Total Projected Industrial Class kWh Sales	<u><u>63,176,822</u></u>

West Penn Power Company
Industrial Class Hourly Pricing 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	\$ (2,588,550)	\$ (1,774,009)	\$ (1,578,881)
2	Gross Default Service Plan Revenues	\$ 309,606	\$ 2,919,296	\$ 2,757,341
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>18,267</u>	<u>172,238</u>	<u>162,683</u>
4	PTC _{HPR} Rev Net Default Service Plan Revenues	\$ 291,340	\$ 2,747,058	\$ 2,594,658
5	Plus: Prior Period E-factor Amortization	\$ 359,418	\$ 359,419	\$ 862,849
6	Revenue Available for Current Deferral	\$ 650,758	\$ 3,106,477	\$ 3,457,507
7	Less: Revenue Allocated to Uncollectibles, net of GRT	<u>\$ 1,560</u>	<u>\$ 5,204</u>	<u>\$ 7,087</u>
8	Revenue Available for Current Deferral	\$ 649,198	\$ 3,101,273	\$ 3,450,420
<u>Expenses</u>				
9	DS _{HPE} exp1 Amortization of Start Up Costs	\$0	\$0	\$0
10	DS _{HPE} exp2 Cost to provide Default Service	1,091,152	2,941,022	2,588,979
11	DS _{HPE} exp2 Cost of Network Integration Transmission Service (NITS)	-	-	-
12	Total Expenses	<u>\$ 1,091,152</u>	<u>\$ 2,941,022</u>	<u>\$ 2,588,979</u>
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ 441,954	\$ (160,251)	\$ (861,441)
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	5.50%	5.50%	5.50%
16	DS _{Int} Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/12))	<u>\$ 13,167</u>	<u>\$ (4,040)</u>	<u>\$ (17,767)</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ (1,774,009)</u>	<u>\$ (1,578,881)</u>	<u>\$ (1,595,240)</u>