

October 15, 2018

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-2015-2511356

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") are original copies of Supplement No. 46 to West Penn Power Company’s (“West Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 40 and Supplement No. 30 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 October 15, 2018. The tariff changes contained in Supplement Nos. 46 and 30 are proposed to be effective with service rendered on or after December 1, 2018.

The purpose of Tariff Supplement Nos. 46 and 30 are to reflect: (1) default service rate changes for the Residential Customer Class served under the Price to Compare Default Service Rider; and (2) 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 May 19, 2016 at Docket No. P-2015-2511356.

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

- Schedule 1 provides supporting details for the change to the Residential Class’s default service rates for West Penn Power Tariff Electric Pa. P.U.C. No. 40 stated in the tariff’s Price to Compare Default Service Rate Rider.
- Schedule 2 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



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**

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

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

Honorable Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
scolwell@pa.gov

Cheryl Walker Davis, Director
Office of Special Assistants
Pennsylvania Public Utility Commission
400 North Street, 3rd Floor
Harrisburg, PA 17120
cwalkerdav@pa.gov
ra-osa@pa.gov

Elizabeth Triscari
Sharon E. Webb
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101
etriscari@pa.gov
swebb@pa.gov

Tanya J. McCloskey
Acting Consumer Advocate
Darryl A. Lawrence
Aron J. Beatty
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
tmccloskey@paoca.org
dlawrence@paoca.org
abeatty@paoca.org
cshoen@paoca.org

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commerce Keystone Bldg.
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265
chshields@pa.gov
sgranger@pa.gov

Daniel Clearfield
Deanne M. O'Dell
Carl R. Shultz
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
P.O. Box 1248
Harrisburg PA 17101
dclearfield@eckertseamans.com
dodell@eckertseamans.com
cshultz@eckertseamans.com
Counsel for RESA and Direct Energy Services, LLC

Benjamin L. Wiley
Law Office of Benjamin L Wiley, LLC
1700 Rockville Pike
Suite 400
Rockville, MD 20852
blw@bwilleylaw.com
ssp@bwilleylaw.com
Counsel for YCSWA

Michael A. Gruin
Stevens & Lee
17 North Second Street, 16th Floor
Harrisburg PA 17101
mag@stevenslee.com
Counsel for WGES

Divesh Gupta
Senior Counsel
Constellation Energy Resources, LLC
100 Constellation Way, Suite 500C
Baltimore MD 21202
divesh.gupta@constellation.com
Counsel for Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc.

Charis Mincavage
Susan E. Bruce
Vasiliki Karandrikas
McNees, Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mwn.com
sbruce@mwn.com
vkandrikas@mwn.com
Counsel for MEIUG/PICA/PPUG and WPPII

Anthony E. Gay
Exelon Business Services Company
2301 Market Street
P.O. Box 8699
Philadelphia PA 19101-8699
anthony.gay@exeloncorp.com
Counsel for PECO Energy Co.

Charles E. Thomas, III
Thomas T. Niesen
Thomas, Long, Niesen & Kennard
212 Locust Street, Suite 600
Harrisburg, PA 17108-9500
cet3@thomaslonglaw.com
tniesen@thomaslonglaw.com
Counsel for ARIPPA

Todd S. Stewart
Hawke, McKeon & Sniscak LLP
P.O. Box 1778
100 N. Tenth Street
Harrisburg PA 17105-1778
tsstewart@hmslegal.com
Counsel for Dominion Retail, Inc

Patrick M. Cicero
Harry S. Geller
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
Counsel for CAUSE-PA

Thomas J. Sniscak
William E. Lehman
Hawke, McKeon & Sniscak LLP
P.O. Box 1778
100 N. Tenth Street
Harrisburg, PA 17105-1778
tjsniscak@hmslegal.com
welehman@hmslegal.com
Counsel for PSU

Robert M. Strickler
Griffith, Strickler, Lerman, Solymos &
Calkins
110 S Northern Way
York PA 17402-3737
rstrickler@gslsc.com

Brian J. Knipe
FirstEnergy Service Company
76 S Main Street
Akron OH 44308
brian.knipe@bipc.com
Counsel for FirstEnergy Solutions Corp

Thomas McCann Mullooly
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee WI 53202
tmullooly@foley.com
sdzieminski@foley.com
*Counsel for Exelon Generation Company,
LLC and Exelon Energy Company*

Linda R. Evers
Stevens & Lee
111 North Sixth Street
P.O. Box 679
Reading, PA 19603
lre@stevenslee.com
Counsel for WGES

Telemac N. Chryssikos
WGES, Room 319
101 Constitution Ave., NW
Washington DC 20080
tchryssikos@washgas.com
Counsel for WGES

Dated: October 15, 2018



Charles V. Fullem
Director – Rates & Regulatory Affairs – PA
2800 Pottsville Pike
PO Box 16001
Reading, PA 19612-6001
610.921.6525
cvfullem@firstenergycorp.com

WEST PENN POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

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

Issued: October 15, 2018

Effective: December 1, 2018

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

NOTICE

This Supplement No. 46 makes changes to Rider H and I.
See Forty-Third Revised Page 2.

LIST OF MODIFICATIONS

Riders

Rider H – Price to Compare Default Service Rate Rider rates have been changed and increased (See Fifteenth Revised Page 173).

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

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) shall be applied to each kWh of Default Service that West Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The PTC_{Default} 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 December 1, 2018 through February 28, 2019 the PTC_{Default} rates billed by Customer Class are as follows:

Commercial Customer Class (Rate Schedules 20, 30, 51 - 58, 71 and 72):

\$0.04249 per kWh.

Residential Customer Class (Rate Schedule 10):

\$0.06354 per kWh

(I)

(C) Change
(I) Increase

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:

\$0.01069 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.

HP Administrative Charge:

\$0.00054 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

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 December 1, 2018 through February 28, 2019, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$(0.01718) per kWh

(C)

(D)

(C) Change
 (D) Decrease

WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

THE PENNSYLVANIA STATE UNIVERSITY

Issued: October 15, 2018

Effective: December 1, 2018

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

NOTICE

Supplement No. 30 makes changes to Rider I.
See Twenty-Ninth Revised Page No. 2.

WEST PENN POWER COMPANY

Electric-Pa. P. U. C. No. 38 (Supp. 30)
Twenty-Ninth Revised Page No. 2
Superseding Twenty-Eighth Revised Page No. 2

LIST OF MODIFICATIONS

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

Issued: October 15, 2018

Effective: December 1, 2018

RIDERS

Rider I (continued)

HP Cap-AEPS-Other Charge:

\$0.01069 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.

HP Administrative Charge:

\$0.00054 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

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 December 1, 2018 through February 28, 2019, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$(0.01718) per kWh (D)

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:

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

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
(D) Decrease

West Penn Power Company
Price to Compare Default Service Rate Calculation
Residential Class: For the Default Service Period December 1, 2018 through February 28, 2019

**Line
No.**

	Number of Tranches	Clearing Price	Weighted Clearing Price
Fixed Price Tranche Purchases (\$ per MWh)			
1	4	53.02	\$ 212.08
2	5	54.14	270.70
3	5	54.27	271.35
4	4	52.16	208.64
5	5	52.62	263.10
6	5	54.92	274.60
7	28		\$ 1,500.47
8		\$ 53.59	
9		95%	
10			\$ 50.91
11		\$ 43.37	
12		20.00	
13		\$ 63.37	
14		5%	
15			\$ 3.17
16			\$ 0.05408
17			1.0910
18			\$ 0.05900 <i>per kWh</i>
19			\$ 0.00016 <i>per kWh</i>
20			\$ 0.05915
21			1.062699
22			\$ 0.06286 <i>per kWh</i>
23			\$ 0.00068 <i>per kWh</i>
24			\$ 0.06354 <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

West Penn Power Company
Computation of Residential Class Price to Compare Default Service Rate Reconciliation Factor
Rate Effective December 1, 2018 through February 28, 2019

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of September 30, 2018 (Page 3, Line 17)	\$ (3,182,559)
2	Adjustment for projected Residential Class (Over) / Under Collection through February 2019	-
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning September 1, 2018	<u>4,146,987</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ 964,428
5	Projected Residential Class kilowatt hour sales - December 1, 2018 - February 28, 2019 (Line 12)	1,505,720,930 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ 0.00064 per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
8	Residential Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 6 X Line 7)	<u><u>\$ 0.00068 per kWh</u></u>

Projected Residential Class kilowatt hour sales December 1, 2018 through February 28, 2019

9	Dec-18	453,599,737
10	Jan-19	518,630,905
11	Feb-19	<u>533,490,288</u>
12	Total Projected Residential Class kWh Sales	<u><u>1,505,720,930</u></u>

West Penn Power Company
Residential Class Price to Compare Default Service Rate Reconciliation
July 1, 2018 through September 30, 2018

Line No.	Description	Jul-18	Aug-18	Sep-18
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (3,186,676)	\$ (3,341,073)	\$ (6,578,418)
2	Gross Default Service Plan Revenues	\$32,623,501	\$ 32,004,368	\$ 24,145,314
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>1,924,787</u>	<u>1,888,258</u>	<u>1,424,574</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 30,698,714	\$ 30,116,111	\$ 22,720,741
5	Plus: Prior Period E-factor Amortization	<u>\$ (884,149)</u>	<u>\$ (884,150)</u>	<u>\$ 1,062,225</u>
6	Revenue Available for Current Deferral	\$ 29,814,565	\$ 29,231,961	\$ 23,782,966
	<u>Expenses</u>			
7	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS _{Exp2} Cost to provide Default Service	30,475,054	26,889,221	26,108,840
9	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	<u>50,020</u>	<u>42,265</u>	<u>(35,191)</u>
10	Total Expenses	\$ 30,525,074	\$ 26,931,486	\$ 26,073,649
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ 710,509	\$ (2,300,475)	\$ 2,290,683
12	Prior Period Revenue Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
13	Total (Over)/Under Collection (Line 11 + Line 12)	\$ 710,509	\$ (2,300,475)	\$ 2,290,683
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	5.00%	5.00%	5.00%
16	DS _{int} Interest on Current Month Deferral (Line 11 X Line 14 X (Line 15/12))	<u>\$ 19,243</u>	<u>\$ (52,719)</u>	<u>\$ 42,950</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ (3,341,073)</u>	<u>\$ (6,578,417)</u>	<u>\$ (3,182,559)</u>

**West Penn Power Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period December 1, 2018 through February 28, 2019**

**Line
No.**

1	<u>HP</u> Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}})) \times \text{HP}_{\text{Loss Multiplier}}$	
2	$\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}))$	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 Energy Charge (Line 4 x Line 5)	
9		
10	<hr/>	
11	HP Cap-AEPS-Other Purchases (\$/MWh)	Price
12	January 2018 (June 18 through May 19)	\$ 10.69 \$/MWh
13		\$ 0.01069 per kWh
14	x HP Loss Multiplier	Rates 20 and 30 = 1.0899 Rate 35 = 1.0678 Rates 40, 44, 46, and PSU = 1.0356
15	<hr/>	
16	HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
17		
18	<u>HP</u> Administrative Charge	\$ 0.00054 per kWh
19	<u>HP</u> Uncollectibles Charge	\$ 0.00012 per kWh
20	<u>HP</u> Reconciliation Charge	\$ (0.01718) per kWh
21	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 December 1, 2018 through February 28, 2019

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of September 30, 2018 (Page 3, Line 17)	\$ (1,078,544)
2	Projected Industrial Class kilowatt hour sales - December 1, 2018 - February 28, 2019 (Line 11)	66,700,054 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.01617) per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>100.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ (0.01617) 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>\$ (0.01718) per kWh</u>

Projected Industrial Class kilowatt hour sales December 1, 2018 through February 28, 2019

8	Dec-18	21,315,681
9	Jan-19	20,212,468
10	Feb-19	<u>25,171,904</u>
11	Total Projected Industrial Class kWh Sales	<u>66,700,054</u>

West Penn Power Company
Industrial Class Hourly Pricing Default Service Rate Reconciliation
July 1, 2018 through September 30, 2018

Line No.	Description	Jul-18	Aug-18	Sep-18
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 3,169,812	\$ 1,413,659	\$ (336,837)
2	Gross Default Service Plan Revenues	\$ 3,397,474	\$ 3,239,691	\$ 2,366,286
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>200,451</u>	<u>191,142</u>	<u>139,611</u>
4	PTC _{HPRev} Net Default Service Plan Revenues	\$ 3,197,023	\$ 3,048,550	\$ 2,226,675
5	Plus: Prior Period E-factor Amortization	<u>\$ (2,412,084)</u>	<u>\$ (2,412,083)</u>	<u>\$ (1,056,604)</u>
6	Revenue Available for Current Deferral	\$ 784,939	\$ 636,467	\$ 1,170,071
7	Less: Revenue Allocated to Uncollectibles, net of GRT	<u>\$ 3,388</u>	<u>\$ 3,137</u>	<u>\$ 3,346</u>
8	Revenue Available for Current Deferral	\$ 781,551	\$ 633,330	\$ 1,166,725
<u>Expenses</u>				
9	DS _{HPExp1} Amortization of Start Up Costs	\$0	\$0	\$0
10	DS _{HPExp2} Cost to provide Default Service	1,420,186	1,280,095	1,475,826
11	DS _{HPExp2} Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
12	Total Expenses	\$ 1,420,186	\$ 1,280,095	\$ 1,475,826
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ 638,635	\$ 646,765	\$ 309,101
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	5.00%	5.00%	5.00%
16	DS _{Int} Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/12))	<u>\$ 17,296</u>	<u>\$ 14,822</u>	<u>\$ 5,796</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ 1,413,659</u>	<u>\$ (336,837)</u>	<u>\$ (1,078,544)</u>