

November 5, 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 – Revised Rate Changes in Compliance with West Penn Power Company’s Default Service Plan, Docket No. M-2018-3005393**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") are original copies of Supplement No. 46 Revised to West Penn Power Company’s (“West Penn Power” or the “Company”) Tariff Electric Pa. P.U.C. No. 40 and Supplement No. 30 Revised to West Penn Power Company – The Pennsylvania State University’s (“West Penn Power-PSU”) Tariff Electric Pa. P.U.C. No. 38, which bears an issue date of October 15, 2018. The tariff changes contained in Supplement Nos. 46 Revised and 30 Revised are proposed to be effective with service rendered on or after December 1, 2018.

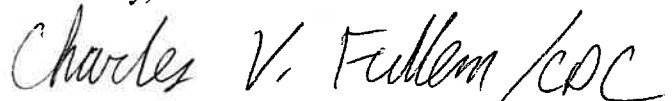
The purpose of Tariff Supplement Nos. 46 Revised are to reflect: (1) default service rate changes for the Commercial and Residential Customer Class served under the Price to Compare Default Service Rider; and (2) default service rate changes for customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission’s Order entered May 19, 2016 at Docket No. P-2015-2511333.

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

- Schedule 1 provides supporting details for the changes to the Commercial Class’s default service rates stated in the tariff’s Price to Compare Default Service Rate Rider.
- Schedule 2-Revised provides supporting details for the changes to the Residential Class’s default service rates stated in the tariff’s Price to Compare Default Service Rate Rider.
- Schedule 3-Revised provides supporting details for the changes to the Hourly Pricing Default Service Reconciliation Charge rate 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**

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

**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](mailto:scolwell@pa.gov)

Cheryl Walker Davis, Director  
Office of Special Assistants  
Pennsylvania Public Utility Commission  
400 North Street, 3<sup>rd</sup> Floor  
Harrisburg, PA 17120  
[cwalkerdav@pa.gov](mailto:cwalkerdav@pa.gov)  
[ra-osa@pa.gov](mailto: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](mailto:etriscari@pa.gov)  
[swebb@pa.gov](mailto:swebb@pa.gov)

Tanya J. McCloskey  
Acting Consumer Advocate  
Darryl A. Lawrence  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
[tmccloskey@paoca.org](mailto:tmccloskey@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[abeatty@paoca.org](mailto:abeatty@paoca.org)  
[cshoen@paoca.org](mailto:cshoen@paoca.org)

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commerce Keystone Bldg.  
400 North Street, 2<sup>nd</sup> Floor  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[chshields@pa.gov](mailto:chshields@pa.gov)  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

Daniel Clearfield  
Deanne M. O'Dell  
Carl R. Shultz  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
P.O. Box 1248  
Harrisburg PA 17101  
[dclearfield@eckertseamans.com](mailto:dclearfield@eckertseamans.com)  
[dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)  
[cshultz@eckertseamans.com](mailto: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](mailto:blw@bwilleylaw.com)  
[ssp@bwilleylaw.com](mailto:ssp@bwilleylaw.com)  
*Counsel for YCSWA*

Michael A. Gruin  
Stevens & Lee  
17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg PA 17101  
[mag@stevenslee.com](mailto: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](mailto: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](mailto:cmincavage@mwn.com)  
[sbruce@mwn.com](mailto:sbruce@mwn.com)  
[vkandrikas@mwn.com](mailto:vkandrikas@mwn.com)  
*Counsel for MEIUG/PICA/PPUG and WPPH*

Anthony E. Gay  
Exelon Business Services Company  
2301 Market Street  
P.O. Box 8699  
Philadelphia PA 19101-8699  
[anthony.gay@exeloncorp.com](mailto: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](mailto:cet3@thomaslonglaw.com)  
[tniesen@thomaslonglaw.com](mailto: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](mailto: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](mailto: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](mailto:tjsniscak@hmslegal.com)  
[welehman@hmslegal.com](mailto: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](mailto:rstrickler@gslsc.com)


Brian J. Knipe  
FirstEnergy Service Company  
76 S Main Street  
Akron OH 44308  
[brian.knipe@bipc.com](mailto: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](mailto:tmullooly@foley.com)  
[sdzieminski@foley.com](mailto: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](mailto:lre@stevenslee.com)  
*Counsel for WGES*

Telemac N. Chryssikos  
WGES, Room 319  
101 Constitution Ave., NW  
Washington DC 20080  
[tchryssikos@washgas.com](mailto:tchryssikos@washgas.com)  
*Counsel for WGES*

Dated: November 5, 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](mailto:cvfullem@firstenergycorp.com)

RIDERS

RIDER H

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC<sub>Default</sub>”) 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<sub>Default</sub> 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.

For service rendered December 1, 2018 through February 28, 2019 the PTC<sub>Default</sub> rates billed by Customer Class are as follows: (C)

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

\$0.06962 per kWh. (I)

Residential Customer Class (Rate Schedule 10):

\$0.06354 per kWh (I)

(C) Change  
(I) Increase

RIDERS

Rider I (continued)

HP <sub>Loss</sub> 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<sub>Loss</sub> 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<sub>HP</sub>”) 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<sub>HP</sub> 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<sub>HP</sub> rate is as follows:

HP Reconciliation Charge Rate = \$(0.00429) per kWh

(C)

(D)

(C) Change  
 (D) Decrease

## 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 = \$(0.00429) per kWh (D)

The  $E_{HP}$  rate will be calculated at the end of each Default Service Quarter (three months ending March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup>) 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 1<sup>st</sup>, September 1<sup>st</sup>, December 1<sup>st</sup>, and March 1<sup>st</sup>). 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**  
**Commercial Class: For the Default Service Period December 1, 2018 through February 28, 2019**

**Line  
No.**

	Number of Tranches	Clearing Price	Weighted Clearing Price	
<b><u>Fixed Price Tranche Purchases (\$ per MWh)</u></b>				
1	3	\$ 52.91	\$ 158.73	
2	3	53.64	160.92	
3	1	53.11	53.11	
4	2	51.95	103.90	
5	2	51.90	103.80	
6	3	55.20	165.60	
7	5	52.78	263.90	
8	5	66.91	334.55	
9	24		\$ 1,344.51	
10		\$ 56.02		
11		100%		
12			\$ 56.02	
13		\$ -		
14		20.00		
15		\$ 20.00		
16		0%		
17			\$ -	
18			\$ 0.05602	
19			1.0899	
20			\$ 0.06106	<i>per kWh</i>
21			\$ 0.00016	<i>per kWh</i>
22			\$ 0.06122	
23			1.062699	
24			\$ 0.06506	<i>per kWh</i>
25			\$ 0.00456	<i>per kWh</i>
26			\$ 0.06962	<i>per kWh</i>

(A) All Price to Compare computations will be pursuant to the terms of the  
(B) All Adders are subject to Quarterly Updates



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

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of September 30, 2018 (Page 3, Line 17)	\$ (2,544,438)
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning September 1, 2018	<u>\$ 3,888,277</u>
3	Total Cumulative Commercial" Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ 1,343,839
4	Projected Commercial Class kilowatt hour sales - December 1, 2018 - February 28, 2019 (Line 11)	313,024,514 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00429 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	<b>Commercial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)</b>	<u><u>\$ 0.00456 per kWh</u></u>

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

8	Dec-18	108,492,933
9	Jan-19	102,156,867
10	Feb-19	<u>102,374,714</u>
11	Total Projected Commercial Class kWh Sales	<u><u>313,024,514</u></u>

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

Line No.	Description	Apr-18	May-18	Jun-18
1	Cumulative (Over)/Under Collection at Beginning of Month *	\$ (7,212,129)	\$ (6,617,486)	\$ (3,002,536)
2	Gross Default Service Plan Revenues	\$ 7,099,248	\$ 3,822,122	\$ 7,591,912
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>418,856</u>	<u>225,505</u>	<u>447,923</u>
4	PTC <sub>Rev</sub> Net Default Service Plan Revenues	\$ 6,680,393	\$ 3,596,617	\$ 7,143,989
5	Plus: Prior Period E-factor Amortization	<u>\$ 3,011,357</u>	<u>\$ 3,011,356</u>	<u>\$ 2,404,043</u>
6	Revenue Available for Current Deferral	\$ 9,691,750	\$ 6,607,973	\$ 9,548,032
	<u>Expenses</u>			
7	DS <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	7,338,763	7,198,045	7,639,658
9	DS <sub>Exp2</sub> Cost of Network Integration Transmission Service (NITS)	-	-	-
10	Total Expenses	<u>\$ 7,338,763</u>	<u>\$ 7,198,045</u>	<u>\$ 7,639,658</u>
11	Current Month (Over)/Under Collection (Line 10 - Line 6)	\$ (2,352,987)	\$ 590,072	\$ (1,908,374)
12	Prior Period Revenue Adjustment *	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
13	Total (Over)/Under Collection (Line 11 + Line 12)	\$ (2,352,987)	\$ 590,072	\$ (1,908,374)
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%	5.25%
16	DS <sub>Int</sub> Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/12))	<u>\$ (63,727)</u>	<u>\$ 13,522</u>	<u>\$ (37,571)</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 15)	<u>\$ (6,617,486)</u>	<u>\$ (3,002,536)</u>	<u>\$ (2,544,438)</u>

**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.**

	<b>Number of Tranches</b>	<b>Clearing Price</b>	<b>Weighted Clearing Price</b>
	<b><u>Fixed Price Tranche Purchases (\$ per MWh)</u></b>		
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	Total Average Fixed Price Tranche		\$ 53.59
9	Times Fixed Portion of Load		95%
10	Total Fixed Price Cost (Line 8 X Line 9)		\$ 50.91
11	Average Variable Hourly Price Tranche		\$ 43.37
12	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)		20.00
13	Variable Hourly Priced Cost (Line 11 + Line 12)		\$ 63.37
14	Times Variable Portion of Load		5%
15	Total Variable Hourly Priced Cost (Line 13 X Line 14)		\$ 3.17
16	Price to Compare Weighted Average Price ((Line 10 + Line 15) / 1000)		\$ 0.05408
17	Times PTC Loss <sub>Current</sub>		1.0910
18	Price to Compare Weighted Average Price, including line losses (Line 16 X Line 17)		\$ 0.05900 <i>per kWh</i>
19	PTC <sub>Administrative Charge</sub>		\$ 0.00016 <i>per kWh</i>
20	PTC <sub>Current</sub> before PA Gross Receipts Tax (Line 18 + Line 19)		\$ 0.05915
21	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]		1.062699
22	<b>PTC<sub>Current</sub> Residential Class including PA Gross Receipts Tax (Line 20 X Line 21)</b>		<b>\$ 0.06286 <i>per kWh</i></b>
23	<b>E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 8)</b>		<b>\$ 0.00068 <i>per kWh</i></b>
24	<b>PTC<sub>Default</sub> Residential Class (Line 22 + Line 23)</b>		<b>\$ 0.06354 <i>per kWh</i></b>

(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)	\$ (3,180,411)
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)	\$ 966,576
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	<b>Residential Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 6 X Line 7)</b>	<u><b>\$ 0.00068 per kWh</b></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 <sub>Rev</sub> 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 <sub>Exp1</sub> Amortization of Start Up Costs	\$ -	\$ -	\$ -
8	DS <sub>Exp2</sub> Cost to provide Default Service	30,475,054	26,889,221	26,108,840
9	DS <sub>Exp2</sub> 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%	5.25%
16	DS <sub>Int</sub> Interest on Current Month Deferral (Line 11 X Line 14 X (Line 15/12))	<u>\$ 19,243</u>	<u>\$ (52,719)</u>	<u>\$ 45,098</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>\$ (3,180,411)</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	<b>HP</b> Energy Charge = $\sum (kWh_t \times (LMP_t + HPO_{th})) \times HP_{Loss\ Multiplier}$	kWh for each hour in billing period
2	$\sum (kWh_t \times (LMP_t + HPO_{th}))$	LMP = Real Time PJM Load Weighted average LMP for APS Zone for each hour
3		$HPO_{th} = \$0.004$ per kWh for Ancillary Services
4	<u>HP Energy Charge (Line 1 x Line 2)</u>	t = An hour in the Billing Period
5	x HP Loss Multiplier	Rates 20 and 30 = 1.0899 Rate 35 = 1.0678 Rates 40, 44, 46, and PSU = 1.0356
6	<u>HP Energy Charge (Line 4 x Line 5)</u>	
7	<b>HP</b> Cap-AEPS-Other Purchases (\$/MWh)	<b>Price</b>
8	January 2018 (June 18 through May 19)	\$ 10.69 \$/MWh
9	x HP Loss Multiplier	\$ 0.01069 per kWh Rates 20 and 30 = 1.0899 Rate 35 = 1.0678 Rates 40, 44, 46, and PSU = 1.0356
10	<u>HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)</u>	
11	<b>HP</b> Administrative Charge	\$ 0.00054 per kWh
12	<b>HP</b> Uncollectibles Charge	\$ 0.00012 per kWh
13	<b>HP</b> Reconciliation Charge	<u>\$ (0.00429) per kWh</u>
14	<b>Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)</b>	<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)	\$ (1,078,255)
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>25.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ (0.00404) per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	<b>Industrial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)</b>	<b><u><u>\$ (0.00429) per kWh</u></u></b>

**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><u>66,700,054</u></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%)	200,451	191,142	139,611
4	PTC <sub>HPR</sub> Rev Net Default Service Plan Revenues	\$ 3,197,023	\$ 3,048,550	\$ 2,226,675
5	Plus: Prior Period E-factor Amortization	\$ (2,412,084)	\$ (2,412,083)	\$ (1,056,604)
6	Revenue Available for Current Deferral	\$ 784,939	\$ 636,467	\$ 1,170,071
7	Less: Revenue Allocated to Uncollectibles, net of GRT	\$ 3,388	\$ 3,137	\$ 3,346
8	Revenue Available for Current Deferral	\$ 781,551	\$ 633,330	\$ 1,166,725
<u>Expenses</u>				
9	DS <sub>HPE</sub> Exp1 Amortization of Start Up Costs	\$0	\$0	\$0
10	DS <sub>HPE</sub> Exp2 Cost to provide Default Service	1,420,186	1,280,095	1,475,826
11	DS <sub>HPE</sub> Exp2 Cost of Network Integration Transmission Service (NITS)	-	-	-
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%	5.25%
16	DS <sub>Int</sub> Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/12))	\$ 17,296	\$ 14,822	\$ 6,085
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	\$ 1,413,659	\$ (336,837)	\$ (1,078,255)