

November 30, 2018

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


**Re: West Penn Power Company  
Supplement No. 47 to Tariff Electric Pa. P.U.C. No. 40  
Universal Service Charge Rate Effective January 1, 2019**

Dear Secretary Chiavetta:

In accordance with the Order entered April 9, 2015 approving the 2014 General Rate Case of West Penn Power Company ("West Penn") at Docket No. R-2014-2428742, enclosed for filing is Supplement No. 47. Supplement No. 47 reflects the computation of the Universal Service Charge under West Penn's Tariff Electric Pa. P.U.C. No. 40, proposed to be effective January 1, 2019.

Supplement No. 47 adjusts West Penn's Universal Service Charge consistent with the provisions of West Penn's Universal Service Cost Rider. Exhibit A accompanying this filing provides details of the computation of the rate that will be effective with service rendered on or after January 1, 2019.

Very truly yours,



Charles V. Fullem  
Director  
Rates & Regulatory Affairs, PA

Enclosures

- c: Kelly Monaghan — PAPUC Bureau of Audits  
Lori Burger — PAPUC Bureau of Audits  
Tanya McCloskey — Office of Consumer Advocate  
Paul Diskin — PAPUC Bureau of Technical Utility Services  
Alexis Bechtel — PAPUC Bureau of Consumer Services

**WEST PENN POWER COMPANY**  
**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

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

**Issued: November 30, 2018**

**Effective: January 1, 2019**

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

**NOTICE**

This Supplement No. 47 makes changes to Rider C.  
See Forty-Fourth Revised Page 2.

RIDERS

**LIST OF MODIFICATIONS**

**Riders**

Rider C – Universal Service Cost Rider rates have been changed and decreased (See Fourth Revised Page 156).

## RIDERS

RIDER C  
UNIVERSAL SERVICE COST RIDER

A Universal Service Charge (“USC”) shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under residential retail rate schedules under this Tariff, determined to the nearest one-thousandth of a cent per kilowatt-hour. The USC shall be non-bypassable.

For services rendered January 1, 2019 through December 31, 2019, the USC rates billed is (C) 0.371 cents per kWh for all kWh. The USC shall be included in the distribution charges of the (D) monthly bill,

The USC shall be calculated in accordance with the formula set forth below:

$$USC = [(US_c/S_{Res}) - (E/S_{Res})] \times [1/(1-T)]$$

Where:

USC = The charge in mills per kilowatt-hour to be applied to each kilowatt-hour delivered to all Customers served under residential retail rate schedules under this Tariff.

US<sub>c</sub> = Universal Service Program Costs, which are the estimated direct, indirect and administrative costs to be incurred by the Company to provide Universal Service to Customers for the USC Computational Year for the following programs (“Universal Service Programs”):

- Customer Assistance and Referral for Evaluation of Services (“CARES”) Program
- Customer Assistance Program (“CAP”)
- Fuel Fund Administration
- Gatekeeper Program
- WARM (formerly LIURP) Program
- Any other replacement or Commission-mandated Universal Service Programs.

S<sub>Res</sub> = The Company’s projected retail kilowatt-hour sales for the projected USC billing period for Customers served under residential retail rate schedules under this Tariff.

(C) Change  
(D) Decrease

**WEST PENN POWER COMPANY**  
**Computation of Proposed Universal Service Charge**  
**For the Twelve Months Ending December 31, 2019**

Line No.	Description	Amounts	
	Universal Service Charge = $[(USc/Sres) - (E/Sres)] \times [1/(1-T)]$		
1	USc = Projected Universal Service Program Costs (See Schedule 2)	\$ 29,710,879	
2	Sres = Projected kWh Sales for Customers Served Under Residential Retail Rate Schedules during USC Billing Period (See Schedule 3)	6,985,261,615	kWh
3	E = Cumulative Prior Reconciliation Periods' Net Over / (Under) Collections (See Schedule 7)	\$ 5,305,013	
4	USc/Sres (Line 1/Line 2)	\$ 0.00425	per kWh
5	E/Sres = Reconciliation Component (Line 3/Line 2)	<u>\$ 0.00076</u>	per kWh
6	(USc/Sres) - (E/Sres) (Line 4 - Line 5)	\$ 0.00349	per kWh
7	1/(1-T): (T = 5.90% Pa Gross Receipts Tax in Base Rates)	<u>1.062699</u>	
8	<b>USC = Universal Service Charge (Line 6 X Line 7)</b>	<b><u>\$ 0.00371</u></b>	<b>per kWh</b>

West Penn Universal Service Cost Rider Rate Filing  
Exhibit A  
Schedule 2

**WEST PENN POWER COMPANY**  
**Projected Universal Service Program Costs**  
**For the Twelve Months Ending December 31, 2019**

<b>Line No.</b>	<b>Description</b>	<b>Amounts</b>
1	West Penn Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 3,500
2	West Penn Customer Assistance Program ("P CAP") Costs	24,190,879
3	West Penn Fuel Fund Administration Costs	46,500
4	West Penn Gatekeeper Program Costs	2,000
5	West Penn WARM (formerly LIURP) Program Costs	<u>5,468,000</u>
6	Total Projected 2019 Universal Service Program Costs (Lines 1 through 5)	<u>\$ 29,710,879</u>

West Penn Universal Service Cost Rider Rate Filing  
Exhibit A  
Schedule 3

**WEST PENN POWER COMPANY**  
**Forecasted Kilowatt-Hours Applicable to Universal Service Charge**  
**For the Twelve Months Ending December 31, 2019**

Line No.	<u>Month</u>	<u>Kilowatt-Hours</u>
1	January 2019	705,832,291
2	February 2019	727,071,324
3	March 2019	646,584,737
4	April 2019	558,009,639
5	May 2019	472,346,485
6	June 2019	516,854,899
7	July 2019	581,193,880
8	August 2019	622,952,264
9	September 2019	558,557,600
10	October 2019	471,450,122
11	November 2019	508,990,721
12	December 2019	615,417,657
13	Total for Twelve Months Ending December 31, 2019	<u><u>6,985,261,615</u></u>

**WEST PENN POWER COMPANY**  
**Universal Service Charge ("USC") Reconciliation Statement**  
**For the USC Reconciliation Period Ended October 31, 2018**

Line No.	Month	USC Revenues Applied to Current Month's Costs Excluding PA GRT (1)	Universal Service Program Costs for Month (A) (2)	Monthly Over / (Under) Collection (3) = (1) - (2)	Annual Interest Rate Per 41 P.S. § 202 (4)	Monthly Interest Rate (5) = (4) / 12	Number of Months to Mid-Point of Next USC Rate Billing Period from Current Month (B) (6)	Interest Amount on Monthly Over / (Under) Collection (7) = (5) X (5) X (6)	Cumulative Over / (Under) Collections and Interest (8)
1	November 2017	\$ 2,520,254	\$ 2,500,513	\$ 19,741	6.0000%	0.5000%	20	\$ 1,974	\$ 21,715
2	December 2017	3,496,553	2,945,372	551,181	6.0000%	0.5000%	19	52,362	625,258
3	January 2018	4,467,599	2,351,658	2,115,941	6.0000%	0.5000%	18	190,435	2,931,634
4	February 2018	2,699,353	2,506,705	192,648	6.0000%	0.5000%	17	16,375	3,140,657
5	March 2018	3,174,022	2,737,391	436,631	6.0000%	0.5000%	16	34,930	3,612,218
6	April 2018	2,504,455	2,160,533	343,922	6.0000%	0.5000%	15	25,794	3,981,934
7	May 2018	2,454,679	2,810,385	(355,706)	6.0000%	0.5000%	14	(24,899)	3,601,329
8	June 2018	2,770,860	2,474,800	296,060	6.0000%	0.5000%	13	19,244	3,916,633
9	July 2018	3,250,338	2,367,758	882,580	6.0000%	0.5000%	12	52,955	4,852,168
10	August 2018	3,166,189	2,242,702	923,487	6.0000%	0.5000%	11	50,792	5,826,447
11	September 2018	2,813,871	2,272,660	541,211	6.0000%	0.5000%	10	27,061	6,394,719
12	October 2018	2,446,910	2,122,051	324,859	6.0000%	0.5000%	9	14,619	6,734,197
13	Totals for the USC reconciliation period ended October 31, 2018	\$ 35,765,083	\$ 29,492,528	\$ 6,272,555				\$ 461,642	\$ 6,734,197

(A) See West Penn Exhibit A, Schedule 5 for supporting details.

(B) Mid-point of the next USC Rate Billing Period is June 30, 2019 during which the net over / (under) recoveries, including interest, for the USC Reconciliation Period ended October 31, 2018 will be refunded to / (recouped from) West Penn customers served under residential retail rate schedules.



**WEST PENN POWER COMPANY**  
 Recoverable Universal Service Program Costs  
 For the USC Reconciliation Period Ended October 31, 2018  
 Details of Universal Service Program Costs

Line No.	Description of Universal Service Program Costs	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	12 Months Ended October 2018
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	West Penn Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ 465	\$ 73	\$ 996	\$ 773	\$ 11	\$ 179	\$ 311	\$ 1,262	\$ 116	\$ -	\$ 681	\$ 1,711	\$ 6,578
2	West Penn Customer Assistance Program ("CAP") Costs	2,153,115	2,244,255	2,146,356	1,951,077	2,360,854	2,034,772	2,270,636	2,097,766	1,963,622	1,962,042	1,959,130	1,814,165	24,957,790
3	West Penn Fuel Fund Administration Costs	66	283	25,633	447	559	436	751	478	300	262	209	298	29,722
4	West Penn Gatekeeper Program Costs	-	-	-	-	86	-	-	-	-	-	11	-	97
5	West Penn WARM (formerly LIURP) Program Costs	346,867	700,761	178,673	554,408	375,881	125,146	536,687	375,294	403,720	280,398	312,629	305,877	4,498,341
6	Reconciliation Year Cost Adjustment (A)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Universal Service Program Costs (Lines 1 through 6)	<u>\$2,500,513</u>	<u>\$2,945,372</u>	<u>\$2,351,658</u>	<u>\$2,506,705</u>	<u>\$2,737,391</u>	<u>\$2,160,533</u>	<u>\$2,810,385</u>	<u>\$2,474,800</u>	<u>\$2,367,758</u>	<u>\$2,242,702</u>	<u>\$2,272,660</u>	<u>\$2,122,051</u>	<u>\$29,492,528</u>

(A) See Schedule 6 for computation of Reconciliation Year Cost Adjustment pursuant to West Penn Universal Service Cost Rider..

**WEST PENN POWER COMPANY**  
**Recoverable Universal Service Program Costs**

**Cost Offset to October 2018 Universal Service Costs to Reflect West Penn's Universal Service  
Cost Rider Adjustment for Increase in CAP Participants Through the End of the Reconciliation  
Period (12 Months Ended October 31)**

Line No.		CAP Customer Counts at Respective Month's End
1	Participant level per West Penn Joint Petition for Partial Settlement of Rate Investigation at Docket No. R-2016-2537359	23,300
2	Month-end CAP Participants November 2016 (Actual)	25,730
3	Month-end CAP Participants December 2016 (Actual)	25,700
4	Month End CAP Participants January 2017 (Actual)	25,156
5	Month End CAP Participants February 2017 (Actual)	24,645
6	Month End CAP Participants March 2017 (Actual)	24,358
7	Month End CAP Participants April 2017 (Actual)	23,791
8	Month-end CAP Participants May 2017 (Actual)	23,421
9	Month-end CAP Participants June 2017 (Actual)	22,816
10	Month-end CAP Participants July 2017 (Actual)	21,515
11	Month-end CAP Participants August 2017 (Actual)	20,955
12	Month-end CAP Participants September 2017 (Actual)	20,386
13	Month-end CAP Participants October 2017 (Actual)	19,835
14	Average Month-end CAP Participants for the 12 months ended October 31, 2018	23,192
15	Number of CAP Participants that exceeds the average allowed participant level, if less than zero enter 0 (Line 14 - Line 1)	0
16	CAP credits and Pre-Program Arrearage Forgiveness Credits for the 12 months ended October 31, 2018	\$ 23,098,518
17	CAP credits and Pre-Program Arrearage Forgiveness Credits per participant (Line 16 / Line 14)	\$ 996
18	Offset by 13.5%	\$ (134)
19	Adjustment to October 2018 West Penn Universal Service Costs to Reflect Cost Adjustment per West Penn Universal Service Cost Rider (Line 15 x Line 18)	<u>\$ -</u>

**WEST PENN POWER COMPANY  
USC E-Factor Revenues**

**Details of Revenues Applied to Prior Universal Service Charge Reconciliation Years'  
Cumulative Over / (Under) Collections and Cumulative Remaining Prior Reconciliation Periods'  
Over / (Under) Collections to be Reflected in 2019 USC Rate**

Line No.	Month	USC Period Revenues Applied (Excluding PA GRT)	Cumulative Over / (Under) Collections Including Interest for the USC Reconciliation Year Ended October 31, 2018	Cumulative Remaining Prior Reconciliation Periods' Over / (Under) Collections Including Interest
		(1)	(2)	(3)
1	Beginning Balance at October 31, 2017			\$ (1,127,791)
2	November 2017	\$ (347,431)		(1,475,222)
3	December 2017	(482,019)		(1,957,241)
4	January 2018	(309,477)		(2,266,718)
5	February 2018	87,946		(2,178,772)
6	March 2018	105,362		(2,073,410)
7	April 2018	83,135		(1,990,275)
8	May 2018	81,483		(1,908,792)
9	June 2018	91,979		(1,816,813)
10	July 2018	107,895		(1,708,918)
11	August 2018	105,102		(1,603,816)
12	September 2018	93,407		(1,510,409)
13	October 2018	<u>81,225</u>	<u>\$ 6,734,197</u> (A)	5,305,013
14	Totals November 1, 2017 through October 31, 2018	<u>\$ (301,393)</u>	<u>\$ 6,734,197</u>	

(A) From Schedule 4, Column 8, Line 13