

April 20, 2015

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

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 80 – Rate
Changes in Compliance with Pennsylvania Electric Company’s Default Service
Plan, Docket No. P-2013-2391372**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 74 to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 80, which bears an issue date of April 20, 2015. The tariff changes contained in Supplement No. 74 are proposed to be effective with service rendered on or after June 1, 2015.

The purpose of Tariff Supplement No. 74 is to reflect: (1) default service rate changes for the Commercial and Residential Customer Classes 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 July 24, 2014 at Docket No. P-2013-2391372.

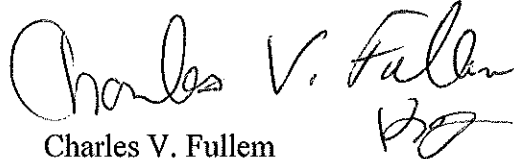
As support for the rate changes, the following schedules accompany this tariff filing:

- 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 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 provides supporting details for the change to the Hourly Pricing Default Service Reconciliation Charge rate contained in the Hourly Pricing Default Service Rider.

Enclosed please find an extra copy of this letter for you to date stamp and return in the enclosed stamped, addressed envelope in order to indicate receipt of this filing.

If you have any questions regarding the enclosed documents, please contact me at (610) 921-6063.

Sincerely,

A handwritten signature in black ink that reads "Charles V. Fullem". The signature is written in a cursive style with a large initial "C".

Charles V. Fullem
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Certificate of Service
Paul Diskin, TUS

PENNSYLVANIA ELECTRIC COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 15 of this Tariff**

Issued: April 20, 2015

Effective: June 1, 2015

**By: Charles E. Jones, Jr., President
Reading, Pennsylvania**

NOTICE

Supplement No. 74 changes Riders N and O.
See Seventy-fourth Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider N – Price to Compare Default Service Rate Rider rates have been changed and increased in this Tariff (See Eighteenth Revised Page 185).

Rider O – Hourly Pricing Default Service Rider rates have been changed pursuant to Docket No. P-2013-2391372 (See Revised Pages 194-198).

RIDERS

RIDER N

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 Penelec 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.

For service rendered June 1, 2015 through August 31, 2015 the PTC_{Default} rates billed by Customer Class are as follows:

(C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, High Pressure Sodium Vapor Street Lighting Service, Municipal Street Lighting Service, and Outdoor Lighting Service):

\$0.08192 per kWh.

(I)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$0.07343 per kWh

(I)

(C) Change
(I) Increase

RIDERS

RIDER O
HOURLY PRICING DEFAULT SERVICE RIDER**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Large, GP, and LP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All GS-Small and GS-Medium Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Unc}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)] \quad (C)$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Oth}}) \times \text{HP}_{\text{Loss Multiplier}}) \quad (C)$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone. (C)

HP_{Oth} = \$0.00400 per kWh for estimate of capacity, ancillary services, NITS, AEPS compliance and other supply components.

(C) Change

RIDERS

Rider O (continued)

HP Loss Multipliers:	GS-Small	1.0573
	GS-Medium	1.0573
	GS-Large	1.0573
	GP	1.0234
	LP	1.0035

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

(I)

\$0.01750 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:

(I)

\$0.00012 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

HP Uncollectible Charge:

(C)

\$0.00056 per Kwh representing the generation – related unbundled uncollectible accounts expense associated with Hourly Pricing Default Service. This Charge is subject to annual adjustment on June 1 of each year.

(I) Increase
 (C) Change

RIDERS

Rider O (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penelec 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.

(C)

For service rendered June 1, 2015 through August 31, 2015, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$0.02455 per kWh

(I)

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

$$E_{HP} = \{[(DS_{HPExp1} + DS_{HPExp2} + DS_{HPExp3}) - PTC_{HPRev} + DS_{HPInt}]/DS_{HPSales}\} \times [1 / (1 - T)]$$

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)

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through December 31, 2015 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the 24 month period ending May 31, 2017 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C) Change

(I) Increase

Rider O (continued)

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

$DS_{HPExp2} =$ The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

(C)

- Payments made to winning bidders
- Any PJM related charges other than Non-Market Based Service Transmission Charges identified in Rider R associated with the procurement of Hourly Pricing Default Service
- AEPS expenses incurred by Penelec related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity

(C)

$PTC_{HPRev} =$ The cumulative revenues, excluding any revenues associated with the HP Uncollectible Charge and applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

(C) Change

Rider O (continued)

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission by the later of: a) forty-five (45) days prior to the effective date of the rate changes; or (b) seven (7) days after the last supply auction. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

(C)

Pennsylvania Electric Company
PTC Default Service Rider Rate Calculation
Commercial Class: Default Service Period Beginning June 1, 2015 - August 31, 2015

Line No.	Commercial Class	Number of Tranches	Auction Clearing Price	Summer 1	Winter 1	Weighted Clearing Price
Fixed Price Tranche Purchases (\$ per MWh)						
	October 2014 Auction	2	\$ 86.67	3	0	520.02
	October 2014 Auction	2	\$ 80.13	3	0	480.78
	January 2015 Auction	2	\$ 63.69	3	0	382.14
	January 2015 Auction	2	\$ 64.34	3	0	386.04
	April 2015 Auction	5	\$ 66.89	3	0	1,003.35
	April 2015 Auction	1	\$ 64.12	3	0	192.36
	April 2015 Auction	1	\$ 62.25	3	0	186.75
		15		3	45	
1	Total Average Fixed Price Tranche				\$ 70.03	
2	Percentage of Total Load				100%	Fixed Portion
3	Total Cost Fixed Price Tranche				\$ 70.03	dollar cost
4	Variable Percentage of Total Load				0%	
5	Total Variable Priced Hourly Commercial Cost				\$ -	
6	Price to Compare Weighted Average Price (line 5 + line 10)				\$ 70.03	per MWh
7	PTC _{Current Cost Component} (line 11 / 1000)				\$ 0.07003	per kWh
8	Times Loss Factor				1.0573	
9	Subtotal (line 12 x line 13)				\$ 0.07404	per kWh
10	Admin Costs including estimated interest @ 6%				\$ 0.00018	per kWh
11	Subtotal (line 14 + line 15)				\$ 0.07423	per kWh
12	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
13	PTC _{Current} Commercial Class (line 16 x line 17)				\$ 0.07888	per kWh
14	E Reconciliation Rate (page 2, line 6)				0.00286	per kWh
15	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
16	E Reconciliation Rate x GRT				\$ 0.00304	
17	PTC _{Default} Commercial Class (line 18 + line 21)				\$ 0.08192	per kWh

Note 1: All Price to Compare rate computations will be pursuant to terms of Company's "Price to Compare Default Service Rate Rider".
Note 2: All Adders are subject to Quarterly Updates

**Pennsylvania Electric Company
PTC Default Rate Calculation
Commercial Class
Computation of Commercial Class Reconciliation Factor
Rate Effective June 1, 2015 - August 31, 2015**

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over)/Under Collection as of March 31, 2015	\$ 1,963,580
2	Projected June 2015 through August 2015 (over)/under collection adjustment	-
3	Projected April & May 2015 E Factor revenue adjustment	<u>(1,159,951)</u>
4	Total (Over)/Under Collection (Line 1 + Line 2 + Line 3)	\$ 803,629
5	Projected Commercial Class kilowatt hour sales - June 1, 2015 through August 31, 2015 (line 12)	280,872,508 kWhs
6	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ 0.00286 per kWh
7	PA Gross Receipt Gross-Up $[1/(1-T)]$ with $T = 5.9\%$ Pa Gross Receipts Tax]	<u>1.062699</u>
8	Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 6 X Line 7)	<u>\$ 0.00304 per kWh</u>
Projected Commercial Class kilowatt hour sales (June 1, 2015 through August 31, 2015)		
9	Jun-15	88,704,404
10	Jul-15	93,968,692
11	Aug-15	<u>98,199,412</u>
12	Total projected Commercial class kWh sales	<u>280,872,508</u>

**Pennsylvania Electric Company Default Service
Program Reconciliation
Commercial Customer Class Deferrals
January 2015 through April 2015**

<u>Line No.</u>		<u>Jan-15</u>	<u>Mar-15</u>	<u>Apr-15</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ 1,919,118	\$ 2,596,942	\$ 2,384,728
2	Default Service Plan Revenues With Pa GRT	\$ 7,421,912	\$ 8,003,497	\$ 7,963,973
3	Pa GRT Included in Line 2	<u>\$ 437,893</u>	<u>\$ 472,206</u>	<u>\$ 469,874</u>
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 6,984,019	\$ 7,531,291	\$ 7,494,099
	<u>Expenses</u>			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 15,283	\$ 15,283	\$ 15,283
6	Current Month cost to provide Default Service [DSexp2] (Line 27)	\$ 7,639,116	\$ 7,249,581	\$ 7,048,931
7	Amortization of January 2011 Commercial Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ -	\$ -
8	Cumulative costs for month of Transmission cost incurred by the Company [DSexp4]	<u>\$ (3,819)</u>	<u>\$ 41,789</u>	<u>\$ (2,108)</u>
9	Total PA Jurisdictional Expenses for Month	\$ 7,650,581	\$ 7,306,654	\$ 7,062,107
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 666,562	\$ (224,637)	\$ (431,992)
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 2,585,680	\$ 2,372,305	\$ 1,952,736
12	Interest for Current Month	<u>\$ 11,262</u>	<u>\$ 12,423</u>	<u>\$ 10,844</u>
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting (Line 11 + Line 14)	<u>\$ 2,596,942</u>	<u>\$ 2,384,728</u>	<u>\$ 1,963,580</u>

(1) An adjustment was made after the books were closed in December, increasing the Cumulative costs for month of Transmission cost incurred by the Company by \$9,393

Pennsylvania Electric Company
PTC Default Service Rider Rate Calculation
Residential Class: Default Service Period Beginning June 1, 2015 - August 31, 2015

Line No.	Residential Class	Auction Number of Clearing Tranches	Clearing Price	Summer 1,000	Winter 1,000	Weighted Clearing Price
Fixed Price Tranche Purchases (\$ per MWh)						
1	October 2014 Auction	3	73.24	3	0	659.16
	October 2014 Auction	3	73.61	3	0	662.49
	January 2015 Auction	3	63.47	3	0	571.23
	January 2015 Auction	3	63.75	3	0	573.75
	April 2015 Auction	3	62.37	3	0	561.33
2	April 2015 Auction	3	63.16	3	0	568.44
		18	3	54		
3	Total Average Fixed Price Tranche				\$ 66.60	
4	Times Fixed Portion of Residential Load				95%	Fixed Portion
5	Total Fixed Price Residential Cost				\$ 63.27	dollar Cost
6	Average Variable Hourly Price Tranche				\$ 38.43	
7	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)				\$ 20.00	
8	Variable Priced Hourly Residential Cost				\$ 58.43	
9	Times Variable Portion of Residential Load				5%	Variable Portion
10	Total Variable Priced Hourly Residential Cost				\$ 2.92	dollar cost
11	Percentage of Total Load				100.0%	
12	Total Cost Fixed/Variable Price Tranche				\$ 66.19	
13	Price to Compare Weighted Average Price				\$ 66.19	per MWh
14	PTC _{Current Cost Component} (line 26 / 1000)				\$ 0.06619	per kWh
15	Times Loss Factor				1.0573	
16	Subtotal (line 27 x line 28)				\$ 0.06998	per kWh
17	Admin Costs including estimated interest @ 6%				\$ 0.00018	per kWh
18	Subtotal (line 29 + line 30)				\$ 0.07016	per kWh
19	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
20	PTC _{Current} Residential Class (line 31 x line 32)				\$ 0.07456	per kWh
21	E Reconciliation Rate (page 2, line 6)				(0.00106)	per kWh
22	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
23	E Reconciliation Rate x GRT				\$ (0.00113)	
24	PTC _{Default} Residential Class (line 33 + line 36)				\$ 0.07343	per kWh

Note 1: All Price to Compare rate computations will be pursuant to terms of Company's "Price to Compare Default Service Rate Rider".
Note 2: All Adders are subject to Quarterly Updates

Pennsylvania Electric Company
Price to Compare Default Service Rider Rate Calculation
Residential Class
Computation of Residential Class Reconciliation Factor
Rate Effective June 1, 2015 Through August 31, 2015

Line No.	Description	Amounts
1	Cumulative Residential Class (Over)/Under Collection as of March 31, 2015	\$ (296,606)
2	Projected April 2015 through August 2015 (over)/under collection adjustment	(568,928)
3	Projected April & May 2015 E Factor revenue adjustment	<u>148,495</u>
4	Total (Over)/Under Collection (Line 1 + Line 2 + Line 3)	\$ (717,039)
5	Projected Residential Class kilowatt hour sales - June 1, 2015 - August 31, 2015 (line 12)	676,133,506 kWhs
6	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4/ Line 5)	\$ (0.00106) per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
8	Residential Classes Reconciliation Factor Rate with PA Gross Receipts Tax (Line 6 X Line 7)	<u>\$ (0.00113) per kWh</u>
9	Projected Residential Class kilowatt hour sales (June 1, 2015 through August 31, 2015)	
	Jun-15	205,314,653
10	Jul-15	228,031,358
11	Aug-15	<u>242,787,495</u>
12	Total Projected Residential Class kWh Sales	<u>676,133,506</u>

**Pennsylvania Electric Company Default Service Program Reconciliation
Residential Customer Class Deferrals
January 2015 through March 2015**

	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>
Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (2,644,597)	\$ (544,336)	\$ 116,149
Default Service Plan Revenues With Pa GRT	\$ 17,818,389	\$ 19,539,330	\$ 20,163,045
Pa GRT Included in Line 2	<u>\$ 1,051,285</u>	<u>\$ 1,152,820</u>	<u>\$ 1,189,620</u>
Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 16,767,104	\$ 18,386,510	\$ 18,973,425
<u>Expenses</u>			
Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 33,282	\$ 33,282	\$ 33,282
Current Month cost to provide Default Service [DSexp2] (Line 32)	\$ 18,212,478	\$ 19,892,557	\$ 18,005,846
Amortization of January 2011 Residential Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ -	\$ -
Cumulative costs for month of Transmission cost incurred by the Company [DSexp4] (1)	\$ 632,200	\$ (877,422)	\$ 522,143
Total PA Jurisdictional Expenses for Month	\$ 18,877,960	\$ 19,048,417	\$ 18,561,271
Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 2,110,856	\$ 661,907	\$ (412,155)
Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (533,741)	\$ 117,572	\$ (296,006)
Interest for Current Month	<u>\$ (10,595)</u>	<u>\$ (1,423)</u>	<u>\$ (600)</u>
Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	<u>\$ (544,336)</u>	<u>\$ 116,149</u>	<u>\$ (296,606)</u>

(1) Beginning June 1, 2013 Transmission Service cost in line 8 above is allocated based on the Residential Block and Spot kwh over Total kwh for Residential Block and Spot and Industrial kwh

(2) An adjustment was made after the books were closed in December, increasing the Cumulative costs for month of Transmission cost incurred by the Company by \$3,605

Pennsylvania Electric Company
Hourly Pricing Service Charge Sample Calculation - Illustrative Purposes Only
Industrial Class: June 1, 2015 Through August 31, 2015

Line	No.	Industrial Class	
		<u>HP Energy Charge</u>	
1		Σ (kWh, x	kWh for each hour in billing period
2		(LMP _t + HPAnc)	LMP = Real Time PJM Load Weighted average LMP for PN Zone for each hour
3			HP _{OS} = \$.004 per kWh for Ancillary Services
4		<u>HP Energy Charge (Line 1 x Line (2+3))</u>	t = An hour in the Billing Period
5		x HP Loss Multiplier	GS Small, Medium, and Large = 1.0573
			GP = 1.0234
			LP = 1.0035
6		<u>HP Energy Charge Line 4 x Line 5</u>	
		<i>PLUS</i>	
		<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>	
7	Estimate	Clearing Price \$ 17.50 \$ 0.01750 x Loss Multiplier	<i>\$/MWh per kWh</i> GS Small, Medium Large = 1.0573 GP = 1.0234 LP = 1.0035
		Grossed up for Line Losses	
		<i>PLUS</i>	
8		HP Administrative Charge	\$ 0.00012 <i>per kWh</i>
		<i>PLUS</i>	
9		HP Reconciliation Charge	\$ 0.02455 <i>per kWh</i>
		<i>PLUS</i>	
		HP Uncollectible Charge	\$ 0.00056 <i>per kWh</i>
10		<u>Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9)</u>	<u>\$ x.xxxxx</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

Pennsylvania Electric Company
PTC Default Rate Calculation
Computation of Industrial Class Reconciliation Factor
Rate Effective June 1, 2015 Through August 31, 2015

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of March 31, 2015 (page 2, line 12, col. 3)	\$ 1,144,571 See Page 3
2	Amortization of Audit correction (Amortized over 12 months)	
3	Total cumulative amount of (Over)/Under Collection	\$ 1,144,571
2	Projected Industrial Class kilowatt hour sales - June 1, 2015 - August 31, 2015 (Line 11)	49,559,247 kWhs
3	Industrial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.02310 per kWh
4	HPS Classes Reconciliation Rate Adjustment Factor	<u>100.00%</u>
5	HPS Classes Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 3 X Line 4)	\$ 0.02310 per kWh
6	PA Gross Receipt Cross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	IndustrialClasses Reconciliation Factor Rate with PA Gross Receipts Tax (Line 5 X Line 6)	<u>\$ 0.02455 per kWh</u>
Projected Industrial Class kilowatt hour sales (June 1, 2015 - August 31, 2015)		
8	Jun-15	16,293,327
9	Jul-15	16,387,705
10	Aug-15	<u>16,878,215</u>
11	Total Projected Industrial Class kWh Sales	<u>49,559,247</u>

**Pennsylvania Electric Company Default Service Program
Reconciliation - Hourly Pricing Default Service Rider
Hourly Pricing (Industrial) Customer Class Deferral
January 2015 through March 2015**

	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>
1 Cumulative (Over) Under Collection at Beginning of Month Including Interest	\$ 378,999	\$ 299,238	\$ 810,566
2 Default Service Plan Revenues With Pa GRT	\$ 888,160	\$ 1,161,863	\$ 1,346,110
3 Pa GRT Included in "A"	<u>\$ 52,401</u>	<u>\$ 68,550</u>	<u>\$ 79,420</u>
4 Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 835,759	\$ 1,093,313	\$ 1,266,690
<u>Expenses</u>			
5 Allocated portion of incremental start-up costs incurred by Company through 12/31/2010 [DSHPExp1]	\$ 779	\$ 779	\$ 779
6 Current Month cost to provide Default Service [DSHPExp2] (Line 22)	\$ 754,102	\$ 1,595,971	\$ 1,595,177
7 Cumulative costs for Month of Network Integration Transmission Service (NITS) cost incurred by the Company [DSHPExp3]	<u>\$ (574)</u>	<u>\$ 5,123</u>	<u>\$ (136)</u>
8 Total PA Jurisdictional Expenses for Month	\$ 754,307	\$ 1,601,873	\$ 1,595,820
9 Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (81,452)	\$ 508,560	\$ 329,130
10 Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	<u>\$ 297,547</u>	<u>\$ 807,798</u>	<u>\$ 1,139,696</u>
11 Interest for Current Month for Both Regulatory and Accounting Reporting Purposes	<u>\$ 1,691</u>	<u>\$ 2,768</u>	<u>\$ 4,876</u>
12 Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory and Accounting Reporting Purposes (Line 10 + Line 11)	<u>\$ 299,238</u>	<u>\$ 810,566</u>	<u>\$ 1,144,571</u>

(1) November 2013 Cumulative costs for NITS costs were reduced by \$334,383, which represents an audit finding correction that will be separately amortized over 12 months. The quarterly amortization is shown on Page 2, line 2.

(2) An adjustment was made after the books were closed in December, increasing the Cumulative costs for month of Transmission cost incurred by the Company by \$1,350

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT PETITION OF METROPOLITAN :
EDISON COMPANY, PENNSYLVANIA : DOCKET NO. M-2015-2462698
ELECTRIC COMPANY, PENNSYLVANIA :
POWER COMPANY AND WEST PENN :
POWER COMPANY FOR APPROVAL OF :
THEIR DEFAULT SERVICE PROGRAMS :**

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of the foregoing Letter to Secretary Chiavetta on behalf of Pennsylvania Electric Company upon the following persons, in the matter specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA FIRST CLASS MAIL

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Dated: April 20, 2015

Handwritten signature of Charles V. Fullem in black ink, with a horizontal line underneath the signature.

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