

January 13, 2017

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-2013-2391378

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") are original copies of Supplement No. 25 to West Penn Power Company's ("West Penn Power" or the "Company") Tariff Electric Pa. P.U.C. No. 40 and Supplement No. 14 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 January 13, 2017. The tariff changes contained in Supplement Nos. 25 and 14 are proposed to be effective with service rendered on or after March 1, 2017.

The purpose of Tariff Supplement Nos. 25 and 14 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 July 24, 2014 at Docket No. P-2013-2391378.

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

- Schedule 1 provides supporting details for the changes 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 change 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.

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) 921-6525.

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-2013-2391368
	:	P-2013-2391372
	:	P-2013-2391375
	:	P-2013-2391378
	:	

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

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Dated: January 13, 2017



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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: January 13, 2017

Effective: March 1, 2017

**By: Steven E. Strah, President
Reading, Pennsylvania**

NOTICE

This Supplement No. 25 makes changes to Rider H and I.
See Twenty-Second Revised Page 2.

RIDERS

LIST OF MODIFICATIONS

Riders

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

Rider I – Hourly Pricing Default Service Rider rates have been changed and decreased (See Eighth 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.

For service rendered March 1, 2017 through May 31, 2017 the PTC_{Default} rates billed by Customer Class are as follows: (C)

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

\$0.07986 per kWh.

Residential Customer Class (Rate Schedule 10):

\$0.05975 per kWh

(D)

(C) Change
(D) Decrease

RIDERS

Rider I (continued)

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

HP Cap-AEPS-Other Charge:

\$0.00637 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:

\$0.00014 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 March 1, 2017 through May 31, 2017, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = (\$0.02506) per kWh (D)

(C) Change
 (D) Decrease

WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

THE PENNSYLVANIA STATE UNIVERSITY

Issued: January 13, 2017

Effective: March 1, 2017

**By: Steven E. Strah, President
Reading, Pennsylvania**

NOTICE

Supplement No. 14 makes changes to Rider I.
See Thirteenth Revised Page No. 2.

WEST PENN POWER COMPANY

Electric-Pa. P. U. C. No. 38 (Supp. 14)
Thirteenth Revised Page No. 2
Superseding Twelfth Revised Page No. 2

LIST OF MODIFICATIONS

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

Issued: January 13, 2017

Effective: March 1, 2017

RIDERS

Rider I (continued)

HP Cap-AEPS-Other Charge:

\$0.00637 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:

\$0.00014 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 March 1, 2017 through May 31, 2017, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = (\$0.02506) 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

Issued: January 13, 2017

Effective: March 1, 2017

West Penn Power Company
Price to Compare Default Service Rate Calculation
Residential Class: For the Default Service Period March 1, 2017 through May 31, 2017

**Line
No.**

	Number of Tranches	Clearing Price	Weighted Clearing Price	
Fixed Price Tranche Purchases (\$ per MWh)				
1	4	\$ 70.09	\$ 280.36	
2	4	51.33	205.32	
3	5	57.93	289.65	
4	5	49.32	246.60	
5	5	60.11	300.55	
6	5	48.38	241.90	
7	28		\$ 1,564.38	
8		\$ 55.87		
9		95%		
10			\$ 53.08	
11		\$ 31.25		
12		20.00		
13		\$ 51.25		
14		5%		
15			\$ 2.56	
16			\$ 0.05564	
17			1.0910	
18			\$ 0.06070	<i>per kWh</i>
19			\$ 0.00013	<i>per kWh</i>
20			\$ 0.06083	
21			1.062699	
22			\$ 0.06464	<i>per kWh</i>
23			\$ (0.00489)	<i>per kWh</i>
24			\$ 0.05975	<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 March 1, 2017 through May 31, 2017

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of December 31, 2016 (Page 3, Line 14)	\$ (4,786,122)
2	Adjustment for projected Residential Class (Over) / Under Collection through May 2017	-
3	Adjustment for projected Residential Class E-factor revenue for the remainder of the Default Service Quarter beginning December 1, 2016	<u>(407,671)</u>
4	Total Cumulative Residential Class (Over) / Under Collection, as adjusted (Lines 1 + 2 + 3)	\$ (5,193,793)
5	Projected Residential Class kilowatt hour sales - March 1, 2017 - May 31, 2017 (Line 12)	1,129,417,929 kWh
6	Residential Class Reconciliation Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ (0.00460) 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>\$ (0.00489) per kWh</u>
Projected Residential Class kilowatt hour sales March 1, 2017 through May 31, 2017		
9	Mar-17	448,873,633
10	Apr-17	368,586,733
11	May-17	<u>311,957,562</u>
12	Total Projected Residential Class kWh Sales	<u>1,129,417,929</u>

West Penn Power Company
Residential Class Price to Compare Default Service Rate Reconciliation
October 1, 2016 through December 31, 2016

Line No.	Description	Oct-16	Nov-16	Dec-16
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (2,138,019)	\$ 944,858	\$ (1,419,363)
2	Gross Default Service Plan Revenues	\$ 19,337,753	\$ 23,768,864	\$ 33,675,480
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>1,140,927</u>	<u>1,402,363</u>	<u>1,986,853</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 18,196,826	\$ 22,366,501	\$ 31,688,627
	<u>Expenses</u>			
5	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
6	DS _{Exp2} Cost to provide Default Service	20,980,982	20,155,345	28,217,118
7	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	<u>269,351</u>	<u>(91,986)</u>	<u>161,320</u>
8	Total Expenses	\$ 21,250,333	\$ 20,063,359	\$ 28,378,438
9	Prior Period E-factor Amortization	\$ (1,504,310)	\$ (1,504,310)	\$ (712,673)
10	Current Month (Over)/Under Collection (Line 8 + Line 9 - Line 4)	\$ 1,549,197	\$ (3,807,452)	\$ (4,022,862)
11	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
12	Current Month Interest Rate	3.5%	3.5%	3.8%
13	DS _{Int} Interest on Current Month Deferral (Line 10 X Line 11 X (Line 12/12))	<u>\$ 29,370</u>	<u>\$ (61,078)</u>	<u>\$ (56,571)</u>
14	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 - Line 9 + Line 10 + Line 13)	<u>\$ 944,858</u>	<u>\$ (1,419,363)</u>	<u>\$ (4,786,122)</u>

West Penn Power Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period March 1, 2017 through May 31, 2017

**Line
No.**

1	HP Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth}) \times \text{HP}_{\text{Loss Multiplier}}$	
2	$\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth})$	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 2016 (June 16 through May 17)	\$ 6.37 \$/MWh
10		\$ 0.00637 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	\$ 0.00014 per kWh
15	HP Uncollectibles Charge	\$ 0.00012 per kWh
16	HP Reconciliation Charge	\$ (0.02506) 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 March 1, 2017 through May 31, 2017

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of December 31, 2016 (Page 3, Line 14)	\$(13,003,031)
2	Projected Industrial Class kilowatt hour sales - March 1, 2017 - May 31, 2017 (Line 11)	137,844,260 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.09433) 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)	\$ (0.02358) 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>\$ (0.02506) per kWh</u>
 Projected Industrial Class kilowatt hour sales March 1, 2017 through May 31, 2017		
8	Mar-17	46,915,930
9	Apr-17	46,874,390
10	May-17	<u>44,053,940</u>
11	Total Projected Industrial Class kWh Sales	<u>137,844,260</u>

West Penn Power Company
Industrial Class Hourly Pricing Default Service Rate Reconciliation
October 1, 2016 through December 31, 2016

Line No.	Description	Oct-16	Nov-16	Dec-16
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ (10,392,141)	\$ (11,281,299)	\$ (12,139,737)
2	Gross Default Service Plan Revenues	\$ 1,844,807	\$ 2,017,619	\$ 2,419,658
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>108,844</u>	<u>119,040</u>	<u>142,760</u>
4	PTC _{HPRev} Net Default Service Plan Revenues	\$ 1,735,963	\$ 1,898,580	\$ 2,276,898
	<u>Expenses</u>			
5	DS _{HPExp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
6	DS _{HPExp2} Cost to provide Default Service	910,871	1,094,022	1,473,613
7	DS _{HPExp2} Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
8	Total Expenses	\$ 910,871	\$ 1,094,022	\$ 1,473,613
9	Prior Period E-factor Amortization	\$ (2,554,207)	\$ (2,554,207)	\$ (3,464,047)
10	Current Month (Over)/Under Collection (Line 8 + Line 9 - Line 4)	\$ (3,379,299)	\$ (3,358,765)	\$ (4,267,332)
11	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
12	Current Month Interest Rate	3.5%	3.5%	3.8%
13	DS _{HPInt} Interest on Current Month Deferral (Line 10 X Line 11 X (Line 12/12))	<u>\$ (64,066)</u>	<u>\$ (53,880)</u>	<u>\$ (60,009)</u>
14	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 - Line 9 + Line 10 + Line 13)	<u>\$ (11,281,299)</u>	<u>\$ (12,139,737)</u>	<u>\$ (13,003,031)</u>