

January 30, 2017

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. 81 – 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. 34 Revised to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 81, which bears an issue date of January 13, 2017. The tariff changes contained in Supplement No. 34 Revised are proposed to be effective with service rendered on or after March 1, 2017.

The purpose of Tariff Supplement No. 34 Revised is to reflect default service rate changes for the Commercial Customer Class served under the Price to Compare Default Service Rider. This rate change is consistent with the Commission’s Order entered July 24, 2014 at Docket No. P-2013-2391372.

As support for the rate change, the following schedule accompanies 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.

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

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

Daniel G. Asmus
Sharon E. Webb
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101
dasmus@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@stevenlee.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
PO Box 9500
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: January 30, 2017



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

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 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.

(C)

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

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting Service, and Outdoor Lighting Service):

\$0.07018 per kWh.

(D)

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

\$0.06047 per kWh

(D)

(C) Change
(D) Decrease

Pennsylvania Electric Company
Price to Compare Default Service Rate Calculation
Commercial Class: For the Default Service Period March 1, 2017 through May 31, 2017

**Line
No.**

	Number of	Clearing	Weighted
	Tranches	Price	Clearing
			Price
1	Fixed Price Tranche Purchases (\$ per MWh)		
	October 2014 Auction (June 15 through May 17)	2	\$ 80.13
2	October 2015 Auction (June 16 through May 17)	2	56.31
3	January 2015 Auction (June 15 through May 17)	2	64.34
4	January 2016 Auction (June 16 through May 17)	2	53.70
5	April 2015 Auction (June 15 through May 17)	1	62.25
6	April 2016 Auction (June 16 through May 17)	1	52.47
7	January 2017 (March 17 through May 17)	<u>5</u>	<u>54.85</u>
8	Total	15	\$ 897.93
9	Total Average Fixed Price Tranche	\$ 59.86	
10	Times Fixed Portion of Load	<u>100%</u>	
11	Total Fixed Price Cost (Line 9 X Line 10)		\$ 59.86
12	Average Variable Hourly Price Tranche	\$ -	
13	Capacity, Anc. Serv. and AEPS Adder (\$20/MWh)	<u>20.00</u>	
14	Variable Priced Hourly Cost (Line 12 + Line 13)	\$ 20.00	
15	Times Variable Portion of Load	<u>0%</u>	
16	Total Variable Hourly Priced Cost (Line 14 X Line 15)		\$ -
17	Price to Compare Weighted Average Price ((Line 11 + Line 16) / 1000)	\$ 0.05986	
18	Times PTC Loss _{Current}	<u>1.0573</u>	
19	Price to Compare Weighted Average Price, including line losses (Line 17 X Line 18)		\$ 0.06329 per kWh
20	PTC _{Administrative Charge}		\$ 0.00018 per kWh
21	PTC _{Current} before PA Gross Receipts Tax (Line 19 + Line 20)		\$ 0.06347
22	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]		<u>1.062699</u>
23	PTC_{Current} Commercial Class including PA Gross Receipts Tax (Line 21 X Line 22)		\$ 0.06745 per kWh
24	E Reconciliation Rate, including PA Gross Receipts Tax (Page 2, Line 7)		\$ 0.00273 per kWh
25	PTC_{Default} Commercial Class (Line 23 + Line 24)		\$ 0.07018 per kWh

(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

Pennsylvania Electric Company
Computation of Commercial Class Price to Compare Default Service Rate Reconciliation Factor
Rate Effective March 1, 2017 through May 31, 2017

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of December 31, 2016 (See Page 3, Line 14)	\$ 879,296
2	Adjustment for projected Commercial Class E-factor revenue for the remainder of the Default Service Quarter beginning December 1, 2016	<u>(278,507)</u>
3	Total Cumulative Commercial Class (Over) / Under Collection, as adjusted (Line 1 + Line 2)	\$ 600,789
4	Projected Commercial Class kilowatt hour sales - March 1, 2017 - May 31, 2017 (Line 11)	234,183,828 kWh
5	Commercial Class Reconciliation Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00257 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	Commercial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)	<u><u>\$ 0.00273 per kWh</u></u>

Projected Commercial Class kilowatt hour sales March 1, 2017 through May 31, 2017

8	Mar-17	82,569,220
9	Apr-17	77,990,034
10	May-17	<u>73,624,574</u>
11	Total Projected Commercial Class kWh Sales	<u><u>234,183,828</u></u>

Pennsylvania Electric Company
Commercial 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	\$ 804,743	\$ 304,318	\$ 146,738
2	Gross Default Service Plan Revenues	\$ 5,402,500	\$ 5,110,075	\$ 5,786,887
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>318,747</u>	<u>301,494</u>	<u>341,426</u>
4	PTC _{Rev} Net Default Service Plan Revenues	\$ 5,083,752	\$ 4,808,581	\$ 5,445,461
	<u>Expenses</u>			
5	DS _{Exp1} Amortization of Start Up Costs	\$ -	\$ -	\$ -
6	DS _{Exp2} Cost to provide Default Service	4,591,370	4,652,413	6,164,140
7	DS _{Exp2} Cost of Network Integration Transmission Service (NITS)	-	-	-
8	Total Expenses	\$ 4,591,370	\$ 4,652,413	\$ 6,164,140
9	Prior Period E-factor Amortization	\$ 68,159	\$ 68,160	\$ 268,248
10	Current Month (Over)/Under Collection (Line 8 + Line 9 - Line 4)	\$ (424,223)	\$ (88,008)	\$ 986,927
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))	\$ (8,043)	\$ (1,412)	\$ 13,879
14	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 - Line 9 + Line 10 + Line 13)	\$ <u>304,318</u>	\$ <u>146,738</u>	\$ <u>879,296</u>