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April 30, 2013

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**VIA UNITED PARCEL SERVICE**Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Revised Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 35,
Supplement No. 97 - Rate Changes in Compliance with Pennsylvania Power
Company's Phase II Energy Efficiency and Conservation Plan;
Docket No. M-2012-2334395**

Dear Secretary Chiavetta:

On March 29, 2013, Pennsylvania Power Company ("Penn Power" or the "Company") filed with the Pennsylvania Public Utility Commission ("Commission") an original of Tariff Electric Pa. P.U.C. No. 35, Original ("Tariff No. 35") bearing an issue date of March 29, 2013. The tariff changes contained in Supplement 97 are proposed to be effective for service rendered on or after June 1, 2013.

As a result of the March 29, 2013 filing, the Bureau of Audits has reviewed the tariff rider that was part of the filing, and has recommended a few changes to clarify the timing of 1307(e) filing and the final reconciliation period at the end of the plan period.

The Company is filing a revised List of Modifications and Table of Contents to correct the page numbers of the Phase II Energy Efficiency and Conservation Charge Rider. The Company is also filing revised pages 74.4 and 74.5 of the Phase II Energy Efficiency and Conservation Charge Rider to address the Bureau of Audits recommendations. The Company has filed both a clean and a redlined version in order to highlight the changes recommended by the Bureau of Audits.

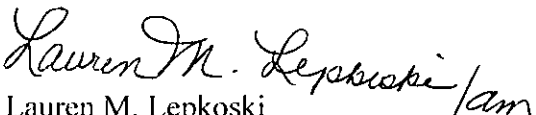
The Company respectfully requests expedited treatment of the compliance filing along with the revisions to ensure that the Company's rates become effective on June 1, 2013.

Also enclosed please find an extra copy of this letter that we request you date-stamp as evidence of filing and return to us in the postage-prepaid envelope provided.

April 30, 2013

If you have any questions regarding the enclosed documents, please feel free to contact me.

Very truly yours,


Lauren M. Lepkoski

dln
Enclosures

c: Paul Diskin – Bureau of Technical Utility Services
Lori Burger – Bureau of Audits

LIST OF MODIFICATIONS

Riders

Added Phase II Energy Efficiency and Conservation Charge Rider (See Original Sheets 74.1-74.5).

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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Phase II Energy Efficiency and Conservation Charge Rider (continued)

1. Phase II EE&C-C Computational Period – The 12-month period of June 1 through May 31.
2. Phase II EE&C-C Initial Reconciliation Period – June 1, 2013 through March 31, 2014 for the initial period of the rider.
3. Phase II EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Final Reconciliation – At the conclusion of the accumulation of all approved program costs outlined in this rider on September 30, 2016, a final reconciliation of actual program costs and actual revenues received shall be completed. The final Phase II EE&C-C rate reflecting the Final Reconciliation shall be effective January 1, 2017.

The Company will submit to the Commission by May 1 of each year starting May 1, 2014: (1) a reconciliation between actual Phase II EE&C-C revenues and actual Phase II EE&C-C costs through March of that year, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase II EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) any adjustment to the Phase II EE&C costs based upon actual costs incurred through March and any revised estimates for future months (including, but not limited to, re-evaluation or re-design of Phase II EE&C Programs and re-allocation of Phase II EE&C Program Costs to the designated Rate Schedules), subject to the amount permitted to be recovered under 66 Pa.C.S. § 2806.1; (4) the subsequent effect of the EE&C cost adjustment, Billing Unit forecast update, and reconciliation to the Phase II EE&C-C rates adjusted for gross receipts tax, and levelized over the period of the upcoming June 1 and continuing through the following May 31; (5) the Phase II EE&C budget estimate for the forthcoming annual calculation period (June 1 through May 31) by rate class; and (6) any other adjustments approved by the Commission pertaining to the implementation of the Phase II EE&C Plan.

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. The Company will continue to accumulate all approved program costs for Phase II until September 30, 2016. A Final Reconciliation will be performed by rate class, comparing actual program costs with actual revenues received from Phase II EE&C-C rates. Any over-collection will be refunded to customers and any under-collection will be charged to customers through Phase II EE&C-C rate to be effective January 1, 2017, until all amounts determined by the Final Reconciliation have been collected or refunded.

Upon determination that the Phase II EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by Customer Class, the Company may request that the Commission approve one or more interim revisions to the Phase II EE&C-C rates to become effective ten (10) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year until the conclusion of this rider.

Phase II Energy Efficiency and Conservation Charge Rider (continued)

At the conclusion of the duration of this 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 Phase II EE&C-C rates shall be subject to annual review and audit by the Commission.

Phase II Energy Efficiency and Conservation Charge Rider (continued)

1. Phase II EE&C-C Computational Period – The 12-month period of June 1, 2013 through May 31, 2014.
2. Phase II EE&C-C Initial Reconciliation Period – June 1, 2013 through March 31, 2014 for the initial period of the rider.
3. Phase II EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Final Reconciliation – At the conclusion of the accumulation of all approved program costs outlined in this rider on September 30, 2016, a final reconciliation of actual program costs and actual revenues received shall be completed. The final Phase II EE&C-C rate reflecting the Final Reconciliation shall be effective January 1, 2017.

The Company will submit to the Commission by May 1 of each year starting May 1, 2014: (1) a reconciliation between actual Phase II EE&C-C revenues and actual Phase II EE&C-C costs through March of that year, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase II EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) any adjustment to the Phase II EE&C costs based upon actual costs incurred through March and any revised estimates for future months (including, but not limited to, re-evaluation or re-design of Phase II EE&C Programs and re-allocation of Phase II EE&C Program Costs to the designated Rate Schedules), subject to the amount permitted to be recovered under 66 Pa.C.S. § 2806.1; (4) the subsequent effect of the EE&C cost adjustment, Billing Unit forecast update, and reconciliation to the Phase II EE&C-C rates adjusted for gross receipts tax, and levelized over the period of the upcoming June 1 and continuing through the following May 31; (5) the Phase II EE&C budget estimate for the forthcoming annual calculation period (June 1 through May 31) by rate class; and (6) any other adjustments approved by the Commission pertaining to the implementation of the Phase II EE&C Plan. ~~There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2016.~~

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. The Company will continue to accumulate all approved program costs for Phase II until September 30, 2016. A Final Reconciliation will be performed by rate class, comparing actual program costs with actual revenues received from Phase II EE&C-C rates. Any over-collection will be refunded to customers and any under-collection will be charged to customers through Phase II EE&C-C rate to be effective January 1, 2017, until all amounts determined by the Final Reconciliation have been collected or refunded.

Upon determination that the Phase II EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by Customer Class, the Company may request that the Commission approve one or more interim revisions to the Phase II EE&C-C rates to become effective thirty ~~(30)~~ (10) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by ~~June~~ April 30th of each year starting ~~June 30, 2014~~ until the conclusion of this rider.

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Phase II Energy Efficiency and Conservation Charge Rider (continued)

At the conclusion of the duration of this 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.

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Application of the Phase II EE&C-C rates shall be subject to annual review and audit by the Commission.

Issued: ~~March 29, 2013~~

Effective: ~~June 1, 2013~~

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Revised Pennsylvania Power Company :
Tariff Electric Pa. P.U.C. No. 35, :
Supplement No. 97 - Rate Changes in : **Docket No. M-2012-2334395**
Compliance with Pennsylvania Power :
Company's Phase II Energy Efficiency and :
Conservation Plan :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties listed below in accordance with the requirements of § 1.54 (relating to service by a party).

Via electronic mail and first class mail, as follows:

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