

Paul E. Russell Associate General Counsel

PPL

Two North Ninth Street Allentown, PA 18101-1179 Tel. 610.774.4254 Fax 610.774.6726 perussell@pplweb.com

#### FEDERAL EXPRESS

June 17, 2013

Rosemary Chiavetta, Esquire Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 RECEIVED

JUN 17 2013

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Re: PPL Electric Utilities Corporation

Supplement No. 133 to Tariff - Electric Pa. P.U.C. No. 201

Docket Nos. M-2011-2270442, P-2012-2302074, M-2013-2361736, M-2013-2365110, M-2013-2361630

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is Supplement No. 133 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201. This supplement makes the following changes:

- Pursuant to the Final Order on the Interim Guidelines Regarding Standards for Changing a Customers Electricity Supplier in Docket No. M-2011-2270442, the 16 day confirmation period is reduced to 11 days.
- Pursuant to the Final Order on the Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program and Procurement Plan, Docket No. P-2012-2302074, the new Time-of-Use rates are implemented.
- Pursuant to the procedures set for in PPL Electric's Tariff Electric Pa. P.U.C. No. 201, the charges for the Transmission Service Change ("TSC") are set forth for the period of June 1, 2013 through May 31, 2014.
- Pursuant to the procedures set forth in PPL Electric's Tariff Electric Pa. P.U.C. No. 201, the two default service rate options under the Generation Supply Change-1 ("GSC-1") are set forth for the period June 1, 2013 through May 31, 2015.

 Pursuant to the procedures set forth in PPL Electric's Tariff – Electric Pa. P.U.C. No. 201, the Optional Monthly Pricing Service Option is deleted and the Hourly Default Service Rate Option under the Generation Supply Change-2 ("GSC-2") is set forth for the period of June 1, 2013 through May 31, 2015.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on June 17, 2013, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed report or need additional data, please call me or Bethany L. Johnson, PPL Electric's Manager-Regulatory Compliance at (610) 774-7011.

Very truly yours,

Paul E. Russell

Enclosures

CC:

Mr. Carl Lesney
Tanya J. McCloskey, Esquire

Ms. Lori Burger Mr. John R. Evans

J. Edward Simms, Esquire

RECEIVED

JUN 17 2013

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU



# GENERAL TARIFF RECEIVED

RULES AND RATE SCHEDULES FOR ELECTRIC SERVICE

JUN 17 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

In the territory listed on pages 4, 4A, and 4B and in the adjacent territory served.

ISSUED: June 17, 2013

EFFECTIVE: June 1, 2013

## GREGORY N. DUDKIN, PRESIDENT

Two North Ninth Street Allentown, PA 18101-1179

## NOTICE

THIS TARIFF MAKES CHANGES (C) IN EXISTING RATES. SEE PAGE TWO.

#### LIST OF CHANGES MADE BY THIS SUPPLEMENT

#### CHANGES:

Transmission Service (TSC)

Page No. 19Z, 19Z.1, and 19Z.1A

The charges under the TSC are set forth for the period June 1, 2013 through May 31, 2014.

Generation Supply Charge -1 (GSC-1)
Page No. 19Z.4, 19Z.5, 19Z.5A,
19Z.5B, 19Z.5C, and 19Z.5D

The two default service rate options under the GSC-1 are set forth for the period June 1, 2013 through May 31, 2015. In addition, in accordance with the Final Order on the Interim Guidelines Regarding Standards for Changing a Customer's Electricity Generation Supplier, the "16-day" confirmation period is reduced to "11 days" on Page 19Z.5C. The Fixed Price Service charges are set forth for the period June 1, 2013 through August 31, 2013. The TOU charges are set forth for the period beginning June 1, 2013.

Generation Supply Charge -2 (GSC-2) Page No. 19Z.6, 19Z.7, 19Z.7A, and 19Z.7B The Optional Monthly Pricing Service Option is deleted and the Hourly Default Service Rate Option under the GSC-2 is set forth for the period June 1, 2013 through May 31, 2015.

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#### Supplement No. 133 Electric Pa. P.U.C. No. 201 Ninth Revised Page No. 19Z Canceling Eighth Revised Page No. 19Z

#### TRANSMISSION SERVICE CHARGE

(C)

(C)

Beginning on June 1, 2013, the Transmission Service Charge (TSC) shall be applied to charges for electricity supplied to customers who receive Basic Utility Supply Service ("BUSS"), as defined in Rule 1B(1), from the Company under this Tariff.

The TSC shall be computed separately for each of the following four customer classes:

- (1) Residential: Consisting of Rate Schedules RS and RTS (R),
- (2) Small Commercial and Industrial: Consisting of Rate Schedules GS-1, GS-3, IS-1 (R), BL, SA, SM (R), SHS, SE, TS (R), SI-1 (R), and GH-2 (R) (Small C&I),
- (3) Large Commercial and Industrial Primary: Consisting of Rate Schedule LP-4 (Large C&I Primary), and
- (4) Large Commercial and Industrial Transmission: Consisting of Rate Schedules LP-5, LPEP and L5S (Large C&I – Transmission).

The TSC, computed using the formulae described below, shall be applied to the monthly bill of each customer receiving BUSS service from the Company and shall be reconciled on an annual basis for undercollections and overcollections experienced during the previous year.

The TSC for the Residential class and the Small C&I class shall be computed using the following formula:

The TSC for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formulae:

The demand – related portion of the TSC (TSCd) for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formula:

$$TSCd = [TCd/D] \times 1/(1-T)$$

The other portion of the TSC (TSCe) for the Large C&I – Primary class and the Large C&I – Transmission class shall be computed using the following formula:

$$TSCe = [TCe/S - E/S] \times 1/(1-T)$$

Where:

- TCd = The demand-related (kW) portion of the charges that the Company incurs to provide transmission service (including ancillary service charges and all non-market-based transmission service charges) to customers who receive BUSS service from the Company. These charges are all Federal Energy Regulatory Commission (FERC)-approved charges imposed by PJM Interconnection, LLC (PJM) on a kW basis. These charges are allocated to each customer class based upon the contribution of that class to the 5 coincident peaks used by PJM to establish such demand related charges.
- TCe = All other charges not recovered through TCd that the Company incurs to provide transmission service (including ancillary service charges and all non-market-based transmission service charges) to customers who receive BUSS service from the Company. These charges are all FERC-approved charges imposed by PJM on any basis other than a kW basis. These charges are allocated to each customer class based upon the projected kWh usage of that class, including estimated distribution system losses during the computation year.

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#### **PPL Electric Utilities Corporation**

#### TRANSMISSION SERVICE CHARGE (CONTINUED)

- D = For the Large C&I Primary customer class, the total of the monthly billing demands for all customers in the class, projected for the computation year. For the Large C&I Transmission customer class, the total of the monthly contributions of all customers in the class to the Company's 5 coincident peaks used by PJM to establish such demand related charges.
- Net over or undercollection of the TCe and TCd charges associated with the acquisition of transmission service as of the end of the 12-month period ending April 30 immediately preceding the computation year, including applicable interest. Reconciliation of the TSC will be conducted separately for each of the four customer classes. Beginning with the reconciliation period ending April 30, 2013, the percentage of demand-related costs assigned to each customer class will change monthly to reflect the class' actual share of default service peak load responsibility in that month. Interest shall be computed monthly at the appropriate rate, as provided for in Section 1308(d) of the Public Utility Code, from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.
- S = The Company's total retail KWH sales to customers in each customer class who receive BUSS under this tariff (including distribution losses) projected for the computation year.
- T= The total Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within this tariff) in effect during the billing period, expressed in decimal form.

The TSC shall be filed with the Pennsylvania Public Utility Commission (Commission) by May 1 of each year. The TSC rate shall become effective for transmission service acquired on behalf of BUSS customers and rendered to those customers on or after the following June 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that a customer class's TSC, if left unchanged, would result in a material over or undercollection of all transmission service charges incurred or expected to be incurred during the current 12-month period ending April 30, the Company may file with the Commission for an interim revision of the TSC to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

Reconciliation of the TSC will be conducted separately for each of the four Customer classes. The reconciliation will include a calculation of the application period over or under recoveries of transmission service costs. The reconciliation of the TSC will be the difference between actual transmission service costs incurred and actual revenue billed for the application period.

Minimum bills shall not be reduced by reason of the TSC, nor shall charges hereunder be a part of the monthly rate schedule minimum. The TSC shall not be subject to any credits or discounts, but Part 2 of the STAS shall apply.

The Company shall file a report of collections under the TSC within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission. The third-quarter report shall be accompanied by a preliminary forecast of the TSC for the next computation year.

Application of the TSC shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the TSC and the costs included therein.

(Continued)

Supplement No. 133 Electric Pa. P.U.C. No. 201 Eighth Revised Page No. 19Z.1A Canceling Sixth and Seventh Revised Page No. 19Z.1A

#### TRANSMISSION SERVICE CHARGE (CONTINUED)

(C)

#### TRANSMISSION SERVICE CHARGE

(C)

Changes under the TSC for the period June 1, 2013 through May 31, 2014, as set forth in the applicable Rate Schedules.

| Customer Class            | Large I&C -<br>Transmission | Large I&C -<br>Primary | Small I&C                                   | Residential    |
|---------------------------|-----------------------------|------------------------|---|----------------|
| Rate Schedule /<br>Charge | L5S, LP-5 and LPEP          | LP-4                   | GS-1, GS-3, IS-1<br>(R), BL and GH-2<br>(R) | RS and RTS (R) |
| Energy Rate (\$/kWh)      | _                           |                        | 0.00817                                     | 0.00911        |
| Demand Rate (\$/kW)       | 2.924                       | 4.920                  |   |                |

| Small I&C - Street Lights |         |                   |         |                   |                 |         |         |        |         |
|---------------------------|---------|-------------------|---------|-------------------|-----------------|---------|---------|--------|---------|
|                           | SA      | SM                | (R)     | SI                | <del>-</del> IS | SE      | TS (R)  | SI-1   | (R)     |
| Rate                      | \$/Lamp | Nominal<br>Lumens | \$/Lamp | Nominal<br>Lumens | \$/Lamp         | \$/KWH  | \$/Watt | Lumens | \$/Lamp |
| Schedule/                 |         | 3,350             | 0.401   | 5,800             | 0.243           |         |         | 600_   | 0.170   |
| Charge                    |         | 6,650             | 0.627   | 9,500             | 0.349           | ]       |         | 1,000  | 0.301   |
|                           | 0.536   | 10,500            | 0.876   | 16,000            | 0.513           | 0.00817 | 0.00597 | 4,000  | 0.958   |
|                           |         | 20,000            | 1.387   | 25,500            | 0.926           | }       |         |        |         |
| ]                         |         | 34,000            | 2.365   | 50,000            | 1.453           | }       |         |        |         |
|                           |         | 51,000            | 3.269   |                   |                 |         |         |        |         |

Supplement No. 133
Electric Pa. P.U.C. No. 201
Ninth Revised Page No. 19Z.4
Canceling Eighth Revised Page No. 19Z.4

#### **GENERATION SUPPLY CHARGE-1**

(C)

(C)

Beginning on June 1, 2013, the Generation Supply Charge-1 (GSC-1) shall be applied to each (C kilowatt-hour supplied to residential customers who take Basic Utility Supply Service ("BUSS") from the Company under Rate Schedules RS and RTS (R), small commercial and industrial customers who take BUSS service under Rate Schedules GS-1, GS-3, GH-2 (R), IS-1 (R), BL, SA, SM (R), SHS, SE, TS (R) and SI-1 (R), and standby service for the foregoing rate schedules. The GSC-1 will not apply to those Rate Schedule GS-3 customers who have a peak demand of 500 kW or greater, but the GSC-1 will apply to those Rate Schedule LP-4 customers who have a peak demand of less than 500 kW. This peak demand will be based on the customer's ICAP peak load contribution to PJM peak load assigned for the 2013-2014 PJM Planning Year. The GSC-1 shall have two default service provisions: Fixed Price Option and the Time-of-Use Price Option.

#### **PURPOSE**

#### FIXED PRICE OPTION - RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL

The Fixed Price Option provides eligible customers in the Residential and Small Commercial & (C Industrial Customer Class with default electric service for those customers who have not selected an alternative generation supplier or the TOU Price Option.

#### PRICING PROVISIONS

The Fixed Price GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for BUSS service provided during the billing month:

#### Where:

- GSC-1
- The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial (taking service at secondary voltage levels) as designated above.
- GS<sub>fp</sub> = The total estimated direct and indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating BUSS customers in the applicable Customer Class. These costs shall be reduced by any revenue received by the Company from the sale of Alternative Energy Credits that otherwise would have expired.

The computation quarter (c) shall be each quarter of the PJM Planning Year over which the Fixed Price GSC-1, as computed, will apply. Projections of the Company's costs to acquire generation supply, adjusted for losses and including Alternative Energy Credits, for the computation quarter shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated generation supply-related procurement and administration costs. Any costs incurred prior to June 1, 2013, shall be amortized ratably over the 24-month period June 1, 2013, through May 31, 2015, and the quarterly amortization amount shall be included in the computation of the GSC-1.

(Continued)

Supplement No. 133 Electric Pa. P.U.C. No. 201 Seventeenth Revised Page No. 19Z.5 Canceling Fifteenth and Sixteenth Revised Page No. 19Z.5

#### GENERATION SUPPLY CHARGE - 1 (Continued)

(C)

#### FIXED PRICE SERVICE - RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL (Continued)

- Ε
- Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating BUSS customers as of the end of the calendar month ended one month prior to the beginning of the computation quarter, including applicable interest. Interest shall be computed monthly from the month the over or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of undercollections shall be calculated at the legal rate of interest. Interest on refunds of overcollections shall be calculated at the legal rate of interest plus 2 percent annual interest.
- S
- = The Company's total retail KWH sales to participating BUSS customers in the applicable Customer Class, projected for the computation guarter.
- Т The Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within this tariff) in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the GSC-1, nor shall GSC-1 charges be a part of the monthly rate schedule minimum. The GSC-1 shall not be subject to any credits or discounts and Part 2 of the STAS shall apply.

#### **GENERATION SUPPLY CHARGE - 1**

(C)

The following GSC-1 charges apply for Fixed Price Service during the period June 1, 2013 through August 31, 2013.

| Customer Class         | Small I&C  | Residential                     |
|------------------------|--|---------------------------------|
| Rate Schedule / Charge | GS-1, GS-3 (< 500 kW), LP-4 (< 500 kW), IS-1 (R), BL, and GH-2 (R) \$0.06905/KWH | RS and RTS (R)<br>\$0.07323/KWH |

|                   | Small I&C - Street Lights |                   |         |                   |         |         |         |        |         |
|-------------------|---------------------------|-------------------|---------|-------------------|---------|---------|---------|--------|---------|
|                   | SA                        | SM                | (R)     | St                | HS      | SE _    | TS (R)  | SI-1   | (R)     |
| Rate<br>Schedule/ | \$/Lamp                   | Nominal<br>Lumens | \$/Lamp | Nominal<br>Lumens | \$/Lamp | \$/KWH  | \$/Watt | Lumens | \$/Lamp |
| Charge            |                           | 3,350             | 3.390   | 5,800             | 2.058   |         | -       | 600    | 1.436   |
|                   |                           | 6,650             | 5.296   | 9,500             | 2.948   |         |         | 1,000  | 2.548   |
|                   | 4.530                     | 10,500            | 7.402   | 16,000            | 4.336   | 0.06905 | 0.05045 | 4,000  | 8.093   |
| !                 |                           | 20,000            | 11.725  | 25,500            | 7.823   |         |         |        |         |
| )                 |                           | 34,000            | 19.990  | 50,000            | 12.277  |         | J       |        |         |
|                   |                           | 51,000            | 27.627  |                   |         |         |         |        |         |

(Continued)

(D) Indicates Decrease (I) Indicates Increase (C) Indicates Change

#### GENERATION SUPPLY CHARGE -1 (Continued)

(C)

#### TIME-OF-USE PRICE OPTION - RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL

#### **PURPOSE**

Beginning on January 1, 2011, this Time-of-Use (TOU) Price Option provides for the voluntary participation of eligible existing and new residential and small commercial & industrial customers in a year-round TOU Price Option. Eligible customers must meet the APPLICATION PROVISIONS of this TOU Price Option. The objective of this TOU Price Option is to provide eligible residential and small commercial & industrial customers with an opportunity to shift energy usage away from the on-peak periods, when wholesale electricity demand and prices are high, to off-peak periods, when demands and prices are lower.

PRICING PROVISIONS

The TOU GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for BUSS service provided during the billing month:

Where:

- GSC-1 = The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial (taking service at secondary voltage levels) as designated above.
- GS<sub>TOU</sub> = The total estimated direct and indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating BUSS customers in the applicable Customer Class.

The computation quarter (c) shall be each quarter of the PJM Planning Year over which the TOU GSC-1, as computed, will apply. Projections of the Company's costs to acquire generation supply, adjusted for losses and including Alternative Energy Credits, for the computation quarter shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated generation supply-related procurement and administration costs.

- E = Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating BUSS customers as of the end of the calendar quarter ended one month prior to the computation quarter, including applicable interest. Interest shall be computed monthly from the month the over or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of undercollections shall be calculated at the legal rate of interest. Interest on refunds of overcollections shall be calculated at the legal rate of interest plus 2 percent annual interest.
- S = The Company's total retail KWH sales to participating BUSS customers in the applicable Customer Class, projected for the computation quarter.

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Supplement No. 133
Electric Pa. P.U.C. No. 201
Fifth Revised Page No. 19Z.5B
Canceling Fourth Revised Page No. 19Z.5B

#### GENERATION SUPPLY CHARGE - 1 (Continued)

TIME-OF-USE PRICE OPTION – RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL (Continued)

#### PURPOSE (Continued)

Т

= The Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

#### APPLICATION PROVISIONS

(C)

Beginning January 1, 2011, this TOU Price Option is available to existing and new residential and small commercial & industrial customers who are served, or qualify to be served, under Rate Schedules RS, RTS (R), GS-1, GS-3 (customers with peak demands less than 500 KW), GH-2 (R), and IS-1 (R). Customers taking service under the above-referenced rate schedules, who also participate in the Company's OnTrack or Net-Metering for Renewable Customer-Generators Rider programs, are eligible for the TOU Price Option.

Customers served under this TOU Price Option must receive Basic Utility Supply Service (BUSS) as defined in Rule 1 of this Tariff. Also, small commercial & industrial customers served under Rate Schedules GS-1, GS-3 (customers with peak demands less than 500 KW), GH-2 (R), and IS-1 (R), may participate in this TOU Price Option. This includes Volunteer/Non-Profit organizations (Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services) served under Rate Schedules GS-1 and GS-3.

Customers in the Company's OnTrack program who participate in the TOU Price Option will continue to receive a billing credit that reflects their payment arrangement under that program. The effect of their participation in the TOU Price Option will be reflected on their bill after the OnTrack credit has been applied. Customers served under the Company's rider for Net Metering for Renewable Customer- Generators who participate in the TOU Price Option, and who carry excess generation from one billing month to the next billing month, will have that excess applied to on-peak and off-peak periods on a pro rata basis consistent with metering that has been installed and the information obtained from that metering. In the event that a Net Metering customer has excess generation for the annual reporting period ending May 31, the customer will receive a credit calculated at the Company's Price to Compare for the applicable rate schedule.

#### **ON-PEAK HOURS**

The on-peak hours will vary by season and will include the following two seasons designated as Summer and Non-Summer Periods.

Summer Period (June 1 through September 30): On-peak hours for billing purposes are shown on the following table and reflect eastern prevailing time, Mondays to Fridays. Off-peak hours are all other weekday hours, weekends, Independence Day and Labor Day.

Non-Summer Period (October 1 through May 31): On-peak hours for billing purposes are shown on the following table and reflect eastern prevailing time, Mondays to Fridays. Off-peak hours are all other weekday hours, weekends, New Year's Day, Memorial Day, Thanksgiving Day, and Christmas Day.

(Continued)

Supplement No. 133

Electric Pa. P.U.C. No. 201

Eleventh Revised Page No. 19Z.5C

Canceling Ninth and Tenth Revised Page No. 19Z.5C

#### GENERATION SUPPLY CHARGE -1 (Continued)

(C)

TIME-OF-USE - RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL (Continued)

#### ON-PEAK HOURS (Continued)

Non-Summer Period (October 1 through May 31): On-peak hours for billing purposes are shown on the following table and reflect eastern prevailing time, Mondays to Fridays. Off-peak hours are all other weekday hours, weekends, New Year's Day, Memorial Day, Thanksgiving Day, and Christmas Day.

Customers will participate in accordance with their billing cycles and not calendar months. The Summer Period will begin with bills rendered during the period mid-May to mid-June and will end with bills rendered during the period mid-September through mid-October. The Non-Summer Period will begin with bills rendered during the period mid-September through mid-October and will end with bills rendered during the period mid-May to mid-June.

#### TIME-OF-USE GENERATION SUPPLY CHARGES

(C)

The following Generation Supply Charges apply for service under the TOU Program during the period beginning June 1, 2013.

| Rate Schedule RS | Non-Summer Peak Hours<br>(5:00 PM to 7:00 PM)<br>10/01/13- 5/31/14 | Summer Peak Hours<br>(1:00 PM to 6:00 PM)<br>6/01/13- 9/30/13 |
|------------------|--|---|
| On-Peak Hours    | 11.651 cts per kWh   | 11.651 cts per kWh  |
| Off Peak Hours   | 9.928 cts per kWh  | 9.928 cts per kWh   |

| Rate Schedule<br>RTS (R) | Non-Summer Peak Hours<br>(5:00 PM to 9:00 PM)<br>10/01/13- 5/31/14 | Summer Peak Hours<br>(1:00 PM to 6:00 PM)<br>6/01/13- 9/30/13 |
|--------------------------|--|---|
| On-Peak Hours            | 11.651 cts per kWh   | 11.651 cts per kWh  |
| Off Peak Hours           | 9.928 cts per kWh  | 9.928 cts per kWh   |

| Rate Schedules<br>GS-1, GS-3 (< 500 kW), GH-2 (R),<br>and IS-1(R) | Non-Summer Peak Hours<br>(7:00 AM to 7:00 PM)<br>10/01/13- 5/31/14 | Summer Peak Hours<br>(7:00 AM to 7:00 PM)<br>6/01/13- 9/30/13 |
|---|--|---|
| On-Peak Hours   | 15.389 cts per kWh   | 15.389 cts per kWh  |
| Off Peak Hours  | 11.588 cts per kWh   | 11.588 cts per kWh  |

#### TERMINATING PARTICIPATION

(C)

A customer may leave this TOU Program in any calendar month after providing notice to the Company 11 days prior to the end of the billing cycle. The customer, if still receiving BUSS, will return to the standard GSC-1. This change will commence at the beginning of the customer's next billing cycle.

(Continued)

(D) Indicates Decrease (I) Indicates Increase (C) Indicates Change

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#### GENERATION SUPPLY CHARGE - 1 (Continued)

GSC - 1 RECONCILIATION PROVISIONS -

(C)

The GSC-1 for Fixed Price Option and the on/off-peak TOU Price Option shall be filed with the Pennsylvania Public Utility Commission (Commission) ten (10) days prior to the effective date of the rate for each computation quarter. The rate shall become effective for BUSS service rendered during the computation quarter, unless otherwise ordered by the Commission, and shall remain in effect for one quarter.

For the Fixed Price Option and the on/off peak TOU Price Option, the Company will file with the Commission ten (10) days prior to each computation quarter, a quarterly reconciliation of the GSC-1 revenue recovery for the most recently available actual computation period, pursuant to 66 Ps. C.S. §1307. The reconciliation shall become effective for service rendered during the computation quarter and shall remain in effect for a period of one quarter, or until new GSC-1 rates are approved by the Commission.

Reconciliation of the GSC-1 for Fixed Price Option and the on/off-peak TOU Price Option will be conducted separately for each of the two Customer Classes. The reconciliation will include a calculation of the adjustment to the GSC-1, in cents per kWH, required to refund or recover previous application period over or under recoveries of the quarterly generation supply acquisition costs. The reconciliation will be the difference between actual generation supply acquisition costs and the projected generation supply acquisition costs estimated for the computation quarter. Any over/under collection will be reflected in the GSC-1 charges for the subsequent computation quarter.

The Company shall file a report regarding GSC-1 over/under collections within thirty (30) days following the conclusion of each computation quarter. These reports shall be in a form prescribed by the Commission. The report shall be accompanied by a tentative estimate of the GSC-1 for the next computation quarter.

Application of the GSC-1 shall be subject to continuous review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the GSC-1 and the costs included therein.

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#### **GENERATION SUPPLY CHARGE-2**

(C)

Beginning on June 1, 2013, the Generation Supply Charge-2 (GSC-2) shall be charged to each customer in the Large Commercial & Industrial Customer Class who takes Basic Utility Supply Service ("BUSS") from the Company under Rate Schedules LP-4, LP-5, LPEP, and standby service for the foregoing rate schedules. The GSC-2 will not apply to those Rate Schedule LP-4 customers who have a peak demand of less than 500 kW, but the GSC-2 will apply to those Rate Schedule GS-3 customers who have a peak demand of 500 kW or greater. This peak demand will be based on the customer's ICAP peak load contribution assigned for the 2013-2014 PJM Planning Year. The GSC-2 shall have one rate option provision: Hourly Default Service Option.

PURPOSE (C)

The Hourly Default Service Rate Option provides default electric generation service to eligible customers in the Commercial & Industrial Customer Class who have not selected an alternative generation supplier.

#### PRICING PROVISIONS

All of the following charges apply to this rate option.

(C)

- GSC-2 Energy Charge per KWH: The product of actual real-time PL Zone Locational
  Marginal Prices for each hour of the billing month expressed in cents per KWH times the
  customer's actual energy use, adjusted for losses, during each hour of the billing month.
- GSC-2 Capacity Charge: The product of the PJM Reliability Pricing Model ("RPM") price of capacity expressed in dollars per KW-Day, as reported by PJM for the PL Zone, for the applicable billing month times the customer's fixed peak load capacity obligation, as determined by the Company in accordance with the applicable PJM Agreements, times the number of days in the billing month.
- GSC-2 Administrative Charge per KWH: The product of all administrative charges (both the (C) supplier's charges and PPL Electric's charges) expressed in cents per KWH times the customer's actual energy use, adjusted for losses, during each hour of the billing month. The supplier's charges shall be the supplier's winning bid in PPL Electric's most recent solicitation for supply of default service to customers in the Large C&I Customer Class. The supplier's charges may include, but are not limited to, the costs of transmission service (other than non-market-based transmission service charges), ancillary services. management costs, and such other services or products that are required to supply hourly default service to customers in the Large C&I Customer Class, including Alternative Energy Credits. PPL Electric's charges shall be a monthly pro rata amortization of the actual costs incurred by the Company to acquire generation supply from any source for the Large C&I Customer Class during the most recent 12-month period ended May 31 (as determined by amortizing such costs ratably over a 12-month period) plus the monthly amortization of the cost of administering that program prior to June 1, 2013 (as determined by amortizing such costs ratably over the 24-month period June 1, 2013 through May 31, 2015). In addition, the initial computation period will include any remaining over or undercollection balance as of May 31, 2013 related to application of the GSC-2 for the Large Commercial and Industrial Customer Class.

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#### **GENERATION SUPPLY CHARGE-2 (CONTINUED)**

(C) (C)

The following rate components of the GSC-2 shall be filed with the Pennsylvania Public Utility Commission (Commission) thirty (30) days prior to each application year (June 1 through May 31). The rate components subject to this filing requirement are: (1) the supplier's charges to be included in the GSC-2 Administrative Charge and (2) PPL Electric's charges to be included in the GSC-2 Administrative Charge. The reconciliation of the GSC-2 will be the difference between the actual administration costs incurred and the applicable billed revenue for the computation quarter. These rate components, as well as any net over or undercollection of these rate components as of the end of the 12-month period ending April 30 immediately preceding the computation period and set forth as a separate E-factor reconciliation component, shall become effective for BUSS rendered on and after the following June 1, and shall remain in effect for a period of one year.

(C)

By May 1 of each year, the Company will file with the Commission the experienced net over or undercollection of the GSC-2 associated with the above-identified costs that are incurred to provide generation supply for participating BUSS customers as of the end of the calendar month ending one month prior to the computation period, including applicable interest. Interest shall be computed monthly from the month the over or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of undercollections shall be calculated at the legal rate of interest. Interest on refunds of overcollections shall be calculated at the legal rate of interest annual interest.

The Pennsylvania gross receipts tax rate (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within the tariff) in effect during the billing month shall apply to charges under the GSC-2.

Minimum bills shall not be reduced by reason of the GSC-2, nor shall GSC-2 charges be a part of the monthly rate schedule minimum. The GSC-2 shall not be subject to any credits or discounts, but Part 2 of the STAS shall apply.

The Company shall file a report regarding GSC-2 collections within thirty (30) days following the conclusion of each computation year. These reports shall be in a form prescribed by the Commission. The report shall be accompanied by a tentative estimate of the GSC-2 for the next computation year.

Application of the GSC-2 shall be subject to continuous review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the GSC-2 and the costs included therein.

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