

August 1, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**Re: Pennsylvania Power Company for Change in Smart Meter  
Technologies Charge Rider Rates to be Effective on January 1, 2015  
Docket No. \_\_\_\_\_**

Dear Secretary Chiavetta:

The Pennsylvania Power Company ("Penn Power" or the "Company") Smart Meter Technologies Charge ("SMT-C") Rider in tariff Electric Pa. P.U.C No. 35 provides that the Company shall file with the Pennsylvania Public Utility Commission ("Commission") by August 1<sup>st</sup> of each year for SMT-C rates to become effective the following January 1<sup>st</sup>. The annual filing reflects changes in the SMT-C rates for the Residential, Commercial and Industrial Customer Classes for service rendered on or after January 1<sup>st</sup> and continuing through December 31<sup>st</sup>, pursuant to the Commission's Order at Docket No. M-2009-2123950 entered June 9, 2010 and the Commission-approved SMT-C Rider.

In accordance with the annual filing requirements of the SMT-C Rider, enclosed are Schedules 1, 2, 3, 4, 5, 6, 7 and 8 that provide the SMT-C rates effective January 1, 2015 along with supporting details of the computation.

Additionally, enclosed are pro forma changes to Electric Pa. P.U.C No. 35 which illustrate the SMT-C rates in tariff form. The tariff supplement number, tariff page revisions, issued date and effective date are omitted from the pro forma tariff changes, but will be included in a Company compliance filing upon approval of the SMT-C rates by the Commission. Therefore, the Company respectfully requests Commission approval to submit a tariff compliance filing and change the SMT-C rates effective on one day's notice upon final Commission approval of the SMT-C rates.

Finally, in the Order entered on March 6, 2014 in Metropolitan Edison Company, Pennsylvania Electric Company, Penn Power and West Penn Power Company (collectively "the Companies") Smart Meter Deployment Plans at Docket Nos. M-2013-

2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994, Commission directed the Companies to provide information on cost savings measures achieved from the deployment of smart meters and an explanation on how cost savings will be calculated in future SMT-C rate filings. Inasmuch as the Companies' smart meter deployment plan was approved in an Order entered June 25, 2014 and deployment of smart meters commenced in mid-July, 2014, the Companies have yet to realize any operational cost savings through the deployment of smart meters. Accordingly, the proposed rates that are the subject of this filing reflect no such savings. Penn Power requests to submit information on cost savings measures at a later date.

WHEREFORE, Penn Power respectfully requests that the Commission approve by Secretarial Letter the SMT-C rates as contained in this filing and direct the Company to submit a tariff compliance filing effective on one day's notice.

If you have any questions regarding the enclosed documents, please contact me at 610-921-6525.

Sincerely,



Charles V. Fullem  
Director – Rates & Regulatory Affairs-PA

Enclosures

c: Certificate of Service  
Paul Diskin, TUS  
Lori Berger, Bureau of Audits

**PENNSYLVANIA POWER COMPANY**

**Schedule of Rates, Rules and Regulations  
For  
Electric Service  
For List of Communities Served,  
See Pages 5 and 6**

**ISSUED: XXXXX**

**EFFECTIVE: XXXXX**

**Issued by  
Charles E. Jones, Jr.  
President  
233 Frenz Drive  
New Castle, PA 16101**

**NOTICE**

**This Supplement Makes Changes to Existing Tariff -- See XXXXX Revised Sheet No. 1**

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**LIST OF MODIFICATIONS**

**Rider**

The Smart Meter Technologies Charge Rider rates have been changed in this Tariff (See XXXXX Revised Sheet No. 61.1).

**SMART METER TECHNOLOGIES CHARGE RIDER**

A Smart Meter Technologies ("SMT") Charge ("SMT-C") shall be applied as a monthly Customer charge during each billing month to metered Customers served under this Tariff determined to the nearest cent. The SMT-C rates shall be calculated separately for each Customer Class according to the provisions of this rider.

For service rendered January 1, 2015 through December 31, 2015 the SMT-C rates billed by Customer Class are as follows: (C)

Residential Customer Class (Rate Schedules RS; RS Optional Controlled Service Rider; RH; RH Water Heating Option; WH; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services):

\$4.06 per month.

(I)

Commercial Customer Class (Rate Schedules GS, GS Special Provision GSDS, GS Optional Controlled Service Rider, PNP, GM, GM Optional Controlled Service Rider, OH with Cooling Capabilities, OH Without Cooling Capabilities, and WH Non-Residential):

\$4.40 per month.

(I)

Industrial Customer Class (Rate Schedules GP and GT):

\$4.26 per month.

(I)

(C) Change

(I) Increase

**PENNSYLVANIA POWER COMPANY**  
**Computation of Proposed Smart Meter Technologies Charges ("SMT-C") by Customer Class**  
**For the Twelve Months Ending December 31, 2015**

**Smart Meter Technologies Charge = SMT-C = [(SMTc - E) / ACCC] / 12 x [ 1 / (1 - T) ]**

Line No.	Description	(1)		(2)		(3)		(4)		(5)	
		Total All Customer Classes	Residential Customer Class Computations	Commercial Customer Class Computations	Industrial Customer Class Computations	Commercial Customer Class Computations	Industrial Customer Class Computations	Commercial Customer Class Computations	Industrial Customer Class Computations	Commercial Customer Class Computations	Industrial Customer Class Computations
1	SMTc = Smart Meter Technologies Costs by Customer Class (See Schedule 2 for Support)	\$ 7,813,115	\$ 6,782,780	\$ 1,022,846	\$ 7,489						
2	E = Cumulative Prior Reconciliation Period's Net Over / (Under) Collections (See Schedule 6 for Support)	\$ 150,746	\$ 151,693	\$ (1,102)	\$ 155						
3	ACCC = Projected Average Customer Class Count for the SMT-C Computation Year for the Twelve Months Ending December 31, 2015 (See Schedule 7 for Support)	142,342	Avg. Count	20,272	Avg. Count	150	Avg. Count				
4	SMTc / ACCC / 6 Months + E / ACCC / 12 months [(Line 1 - Line 3) / Line 4] / 6 Months) + (Line 2/Line 4/12)	\$ 3.88	per Month	\$ 4.21	per Month	\$ 4.07	per Month				
5	1 / (1 - T): (T = 5.90% PA Gross Receipts Tax in Base Rates)	1.046025		1.046025		1.046025					
6	SMT-C = Smart Meter Technologies Charge (Line 5 x Line 6)	\$ 4.06	per Month	\$ 4.40	per Month	\$ 4.26	per Month				

**PENNSYLVANIA POWER COMPANY**  
**Projected Smart Meter Technologies Costs ("SMTc") by Customer Class**  
**For the Smart Meter Technologies Charge ("SMT-C") Computation Year**  
**For the Twelve Months Ending December 31, 2015**

**Smart Meter Technologies Costs = SMTc = SMTexp1 + SMTexp2**

Line No.	Description	Total All Customer Classes Costs		Residential Customer Class Costs		Commercial Customer Class Costs		Industrial Customer Class Costs	
		(1)	(2)	(3)	(4)	(5)			
1	SMTexp1 O&M Costs (See Schedule 3 for Supporting Details)	\$	2,492,431	\$	2,191,651	\$	298,322	\$	2,458
2	SMTexp1 Capital Costs Revenue Requirement (See Schedule 4 for Supporting Details)	\$	5,320,684	\$	4,591,129	\$	724,524	\$	5,031
3	SMTexp1 Offsetting Reduction in Operating Expenses and Capital Expenditures due to Smart Meter Program	\$	-	\$	-	\$	-	\$	-
4	SMTexp2 Costs	\$	-	\$	-	\$	-	\$	-
5	<b>Total SMTc Costs (Line 1 + Line 2 - Line 3 + Line 4)</b>	\$	<b>7,813,115</b>	\$	<b>6,782,780</b>	\$	<b>1,022,846</b>	\$	<b>7,489</b>

**PENNSYLVANIA POWER COMPANY**  
**Projected Smart Meter Technologies Computational Period Operation & Maintenance ("O&M") Costs Recoverable Through Smart Meter Technologies Charges ("SMT-C")**  
**For the Twelve Months Ending December 31, 2015**

Line No.	Smart Meter Technologies O&M Cost Categories (1)	Projected Smart Meter Technologies O&M Costs												For the Twelve Months Ending December 31, 2015
		January (2)	February (3)	March (4)	April (5)	May (6)	June (7)	July (8)	August (9)	September (10)	October (11)	November (12)	December (13)	
1	Program Costs	\$ 198,870	\$ 193,041	\$ 250,388	\$ 197,593	\$ 191,843	\$ 202,862	\$ 191,133	\$ 206,346	\$ 191,240	\$ 204,131	\$ 253,420	\$ 211,562	\$ 2,492,431
2	Total Projected Smart Meter Technologies O&M Costs (Lines 1 through 3)	\$ 198,870	\$ 193,041	\$ 250,388	\$ 197,593	\$ 191,843	\$ 202,862	\$ 191,133	\$ 206,346	\$ 191,240	\$ 204,131	\$ 253,420	\$ 211,562	\$ 2,492,431

Line No.	Customer Class	Actual Average Customer class Meter Counts		Customer Class Allocation Factor	Allocated O&M Costs	C = B x Line 2, Col.14
		A	B			
3	Residential Customer Class	147,925	87,9323%	87.9323%	\$ 2,191,651	
4	Commercial Customer Class	20,135	11.9691%	11.9691%	\$ 298,322	
5	Industrial Customer Class	166	0.0986%	0.0986%	\$ 2,458	
6	Total	168,226	100.0000%	100.0000%	\$ 2,492,431	



Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C") Residential Meters

Line No.	Year	Month	Reg Book Life	6.667% Annual Depreciation	15 Years Annual Months	Projected Smart Meter Technologies Capital Additions	Capital Month Ending	Regulatory Book	Depreciation Rate (IRS Publication 946, Table A-1)	2013 Tax Depreciation	2014 Tax Depreciation	2015 Tax Depreciation	2016 Tax Depreciation	Regulatory Revenue	Net Plant	Accumulated Deferred Income Taxes	Rate Base	Monthly Revenue Requirement (Excluding PA GRT)
1	2013	Jan-12	\$	\$	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$
2	2013	Feb-13	\$	\$	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$
3	2013	Mar-13	\$	\$	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$
4	2013	Apr-13	\$	19,858	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	19,773	(125)	19,648	215
5	2013	May-13	\$	29,885	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	29,662	(316)	29,346	362
6	2013	Jun-13	\$	37,988	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	35,142	(616)	34,526	472
7	2013	Jul-13	\$	49,575	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	41,592	(921)	40,671	595
8	2013	Aug-13	\$	64,423	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	51,249	(1,224)	49,925	1,339
9	2013	Sep-13	\$	82,939	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	64,423	(1,524)	62,900	1,635
10	2013	Oct-13	\$	107,106	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	82,939	(1,824)	81,115	1,946
11	2013	Nov-13	\$	138,841	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	107,106	(2,124)	105,082	2,200
12	2013	Dec-13	\$	178,558	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	138,841	(2,424)	136,417	2,307
13	2014	Jan-14	\$	233,190	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	178,558	(2,724)	175,834	3,046
14	2014	Feb-14	\$	281,076	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	233,190	(3,024)	230,166	3,664
15	2014	Mar-14	\$	331,581	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	281,076	(3,324)	277,752	3,922
16	2014	Apr-14	\$	384,317	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	331,581	(3,624)	327,957	4,688
17	2014	May-14	\$	439,718	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	384,317	(3,924)	380,393	5,065
18	2014	Jun-14	\$	497,178	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	439,718	(4,224)	435,494	5,598
19	2014	Jul-14	\$	557,088	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	497,178	(4,524)	492,654	6,307
20	2014	Aug-14	\$	619,824	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	557,088	(4,824)	552,264	7,167
21	2014	Sep-14	\$	685,788	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	619,824	(5,124)	614,700	8,127
22	2014	Oct-14	\$	755,392	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	685,788	(5,424)	680,364	9,207
23	2014	Nov-14	\$	829,056	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	755,392	(5,724)	749,668	10,407
24	2015	Jan-15	\$	906,688	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	829,056	(6,024)	823,032	11,737
25	2015	Feb-15	\$	988,704	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	906,688	(6,324)	900,364	13,197
26	2015	Mar-15	\$	1,075,616	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	988,704	(6,624)	982,080	14,797
27	2015	Apr-15	\$	1,168,832	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,075,616	(6,924)	1,068,692	16,537
28	2015	May-15	\$	1,268,768	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,168,832	(7,224)	1,161,608	18,417
29	2015	Jun-15	\$	1,375,824	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,268,768	(7,524)	1,261,244	20,447
30	2015	Jul-15	\$	1,490,496	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,375,824	(7,824)	1,368,000	22,627
31	2015	Aug-15	\$	1,613,280	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,490,496	(8,124)	1,482,372	24,957
32	2015	Sep-15	\$	1,744,688	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,613,280	(8,424)	1,604,856	27,447
33	2015	Oct-15	\$	1,885,216	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,744,688	(8,724)	1,736,164	30,097
34	2015	Nov-15	\$	2,036,464	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	1,885,216	(9,024)	1,876,192	32,907
35	2015	Dec-15	\$	2,199,040	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	2,036,464	(9,324)	2,027,140	35,877
36	2015	Jan-16	\$	2,373,264	20.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	0.00%	\$	2,199,040	(9,624)	2,189,416	38,997
37	2015	Total	\$	23,472,882		\$	1,165,958								\$	2,946,500		

Line No.	Customer Class	Residential Meters		Allocation of 2016 Projected Capital
		Average Meter Counts by Customer Class	Percentage to All Customer Classes	
38	Residential Customer Class	147,925	100.0000%	\$ 2,946,500
39	Commercial Customer Class	-	0.0000%	\$ -
40	Industrial Customer Class	-	0.0000%	\$ -
41	Total	147,925	100.0000%	\$ 2,946,500

Notes:  
 (4) = (3) current month + (4) prior month  
 (5) = [(5) current month x 6.667%/12 x 0.5] + [(4) prior month x 6.667%/12]  
 (6) = [(5) current month x (6) current month / months left in year] + (7) prior month  
 (7) during 2013 = [(6) current month x (3) total during 2013] / 12  
 (8) during 2014 = [(6) current month x (3) total during 2014] / 12  
 (9) during 2015 = [(6) current month x (3) total during 2015] / 12  
 (10) during 2016 = [(6) current month x (3) total during 2016] / 12  
 (11) during 2017 = [(6) current month x (3) total during 2017] / 12  
 (12) = (5) current month - (7) current month - (9) current month - (11) current month - (14) prior month  
 (13) = [(15) current month - (7) current month - (9) current month - (11) current month - (14) prior month  
 (14) = [(15) current month - (7) current month - (9) current month - (11) current month - (14) prior month  
 (15) = [(15) current month - (7) current month - (9) current month - (11) current month - (14) prior month

Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Commercial Meters

Line No.	Year	Month	Capital Month Ending	Regulatory Book Depreciation	2013 Tax Depreciation Rate (IRS Publication 346, Table A-1)	2014 Tax Depreciation Rate (IRS Publication 346, Table A-1)	2015 Tax Depreciation Rate (IRS Publication 346, Table A-1)	Net Plant	Accumulated Deferred Income Taxes ("ADIT")	Rate Base	Monthly Revenue Requirement (Excluding PA GR)	
												(4) see notes
1	2013	Jan-13	\$ -	\$ -	20.00%	20.00%	0.00%	\$ -	\$ -	\$ -	\$ -	
2		Feb-13	\$ -	\$ -	20.00%	20.00%	0.00%	\$ -	\$ -	\$ -	\$ -	
3		Mar-13	\$ -	\$ -	20.00%	20.00%	0.00%	\$ -	\$ -	\$ -	\$ -	
4		Apr-13	\$ -	\$ -	20.00%	20.00%	0.00%	\$ -	\$ -	\$ -	\$ -	
5		May-13	\$ -	\$ -	20.00%	20.00%	0.00%	\$ -	\$ -	\$ -	\$ -	
6		Jun-13	\$ 7,072	\$ 19	20.00%	20.00%	0.00%	\$ 7,154	\$ (64)	\$ 7,070	\$ 70	
7		Jul-13	\$ 2,577	\$ 38	20.00%	20.00%	0.00%	\$ 2,623	\$ (116)	\$ 2,507	\$ 91	
8		Aug-13	\$ 38,037	\$ 152	20.00%	20.00%	0.00%	\$ 38,189	\$ (152)	\$ 38,037	\$ 467	
9		Sep-13	\$ 21,010	\$ 306	20.00%	20.00%	0.00%	\$ 21,316	\$ (306)	\$ 21,010	\$ 773	
10		Oct-13	\$ 20,390	\$ 423	20.00%	20.00%	0.00%	\$ 20,813	\$ (423)	\$ 20,390	\$ 1,032	
11		Nov-13	\$ 7,989	\$ 495	20.00%	20.00%	0.00%	\$ 8,479	\$ (495)	\$ 7,984	\$ 1,132	
12		Dec-13	\$ 13,342	\$ 592	20.00%	20.00%	0.00%	\$ 13,934	\$ (592)	\$ 13,342	\$ 1,612	
13	2014	Jan-14	\$ (810)	\$ 627	20.00%	20.00%	0.00%	\$ 1,437	\$ (810)	\$ 627	\$ 1,624	
14		Feb-14	\$ 12,460	\$ 659	20.00%	20.00%	0.00%	\$ 13,119	\$ (659)	\$ 12,460	\$ 1,767	
15		Mar-14	\$ 9,453	\$ 720	20.00%	20.00%	0.00%	\$ 10,173	\$ (720)	\$ 9,453	\$ 1,624	
16		Apr-14	\$ 18,138	\$ 799	20.00%	20.00%	0.00%	\$ 18,937	\$ (799)	\$ 18,138	\$ 1,907	
17		May-14	\$ 5,599	\$ 868	20.00%	20.00%	0.00%	\$ 6,467	\$ (868)	\$ 5,599	\$ 2,267	
18		Jun-14	\$ 198,043	\$ 1,434	20.00%	20.00%	0.00%	\$ 199,477	\$ (1,434)	\$ 198,043	\$ 2,161	
19		Jul-14	\$ 202,874	\$ 2,548	20.00%	20.00%	0.00%	\$ 205,422	\$ (2,548)	\$ 202,874	\$ 2,827	
20		Sep-14	\$ 214,653	\$ 3,707	20.00%	20.00%	0.00%	\$ 218,360	\$ (3,707)	\$ 214,653	\$ 3,117	
21		Oct-14	\$ 237,130	\$ 4,963	20.00%	20.00%	0.00%	\$ 242,093	\$ (4,963)	\$ 237,130	\$ 3,517	
22		Nov-14	\$ 202,500	\$ 6,224	20.00%	20.00%	0.00%	\$ 208,724	\$ (6,224)	\$ 202,500	\$ 2,917	
23		Dec-14	\$ 186,486	\$ 7,389	20.00%	20.00%	0.00%	\$ 193,875	\$ (7,389)	\$ 186,486	\$ 2,417	
24		Jan-15	\$ 1,617,831	\$ 8,470	20.00%	20.00%	0.00%	\$ 1,626,301	\$ (8,470)	\$ 1,617,831	\$ 17,694	
25		Feb-15	\$ 1,894,512	\$ 9,507	20.00%	20.00%	0.00%	\$ 1,904,019	\$ (9,507)	\$ 1,894,512	\$ 20,475	
26		Mar-15	\$ 1,991,591	\$ 10,545	20.00%	20.00%	0.00%	\$ 1,999,136	\$ (10,545)	\$ 1,991,591	\$ 23,156	
27		Apr-15	\$ 2,179,623	\$ 11,587	20.00%	20.00%	0.00%	\$ 2,191,210	\$ (11,587)	\$ 2,179,623	\$ 25,682	
28		May-15	\$ 188,042	\$ 12,625	20.00%	20.00%	0.00%	\$ 190,667	\$ (12,625)	\$ 188,042	\$ 28,069	
29		Jun-15	\$ 188,528	\$ 13,663	20.00%	20.00%	0.00%	\$ 192,191	\$ (13,663)	\$ 188,528	\$ 32,517	
30		Jul-15	\$ 188,528	\$ 14,701	20.00%	20.00%	0.00%	\$ 193,229	\$ (14,701)	\$ 188,528	\$ 36,332	
31		Aug-15	\$ 188,528	\$ 15,739	20.00%	20.00%	0.00%	\$ 193,267	\$ (15,739)	\$ 188,528	\$ 39,450	
32		Sep-15	\$ 188,528	\$ 16,777	20.00%	20.00%	0.00%	\$ 193,305	\$ (16,777)	\$ 188,528	\$ 42,568	
33		Oct-15	\$ 188,528	\$ 17,815	20.00%	20.00%	0.00%	\$ 193,343	\$ (17,815)	\$ 188,528	\$ 45,686	
34		Nov-15	\$ 188,528	\$ 18,853	20.00%	20.00%	0.00%	\$ 193,381	\$ (18,853)	\$ 188,528	\$ 48,804	
35		Dec-15	\$ 188,528	\$ 19,891	20.00%	20.00%	0.00%	\$ 193,419	\$ (19,891)	\$ 188,528	\$ 51,922	
36		2015 Total	\$ 3,524,054	\$ 200,965	20.00%	20.00%	0.00%	\$ 3,725,019	\$ (200,965)	\$ 3,524,054	\$ 500,662	

Notes:  
 (4) = (3) current month + (4) prior month  
 (5) = (2) current month x 6.667%/12 x 0.5) + [(4) prior month x 6.667%/12]  
 (6) = (2) current month x (6.667%/12 x 0.5) + [(4) prior month x (6.667%/12)]  
 (7) during 2013 = [(6) current month x (3) current month / months left in year] + (7) prior month  
 (8) during 2014 = [(6) current month x (3) total during 2013 / 12  
 (9) during 2015 = [(6) current month x (3) total during 2013 / 12  
 (10) during 2014 = [(6) current month x (3) current month / months left in year] + (9) prior month  
 (11) during 2015 = [(6) current month x (3) current month / months left in year] + (9) prior month  
 (12) = (1) current month  
 (13) = (1) current month - (7) current month + (9) current month  
 (14) = [(15) x Schedule 8 Pro Tax Cost of Capital/12] + (5) current month  
 (15) = [(15) x Schedule 8 Pro Tax Cost of Capital/12] + (5) current month

Line No.	Customer Class		Percentage	Allocation of 2015 Projected Capital Rev Req
	A	B		
38	Residential Customer Class	20,135	0.0000%	\$ -
39	Commercial Customer Class	20,135	100.0000%	\$ 500,662
40	Industrial Customer Class	20,135	0.0000%	\$ -
41	Total	20,135	100.0000%	\$ 500,662

Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Industrial Meters

Line No.	Year	Month	Reg Book Life	Annual Months	Projected Smart Meter	Capital Additions	Capital Ending	Regulatory Book	2013 Tax Depreciation Rate (IRS Publication 946, Table A-1)	2014 Tax Depreciation Rate (IRS Publication 946, Table A-1)	2015 Tax Depreciation Rate (IRS Publication 946, Table A-1)	2015 Tax Depreciation Rate (RS)	Regulatory Reserve	Net Plant	Accumulated Deferred Income Taxes ("ADIT")	Rate Base	Monthly Revenue Requirement (Excluding PA Income Taxes)
1	2013	Jan-13							20.00%	0.00%	0.00%						
2		Feb-13							20.00%	0.00%	0.00%						
3		Mar-13							20.00%	0.00%	0.00%						
4		Apr-13							20.00%	0.00%	0.00%						
5		May-13							20.00%	0.00%	0.00%						
6		Jun-13							20.00%	0.00%	0.00%						
7		Jul-13							20.00%	0.00%	0.00%						
8		Aug-13							20.00%	0.00%	0.00%						
9		Sep-13							20.00%	0.00%	0.00%						
10		Oct-13							20.00%	0.00%	0.00%						
11		Nov-13							20.00%	0.00%	0.00%						
12		Dec-13							20.00%	0.00%	0.00%						
13	2014	Jan-14							20.00%	0.00%	0.00%						
14		Feb-14							20.00%	0.00%	0.00%						
15		Mar-14							20.00%	0.00%	0.00%						
16		Apr-14							20.00%	0.00%	0.00%						
17		May-14							20.00%	0.00%	0.00%						
18		Jun-14							20.00%	0.00%	0.00%						
19		Jul-14							20.00%	0.00%	0.00%						
20		Aug-14							20.00%	0.00%	0.00%						
21		Sep-14							20.00%	0.00%	0.00%						
22		Oct-14							20.00%	0.00%	0.00%						
23		Nov-14							20.00%	0.00%	0.00%						
24		Dec-14							20.00%	0.00%	0.00%						
25	2015	Jan-15							20.00%	0.00%	0.00%						
26		Feb-15							20.00%	0.00%	0.00%						
27		Mar-15							20.00%	0.00%	0.00%						
28		Apr-15							20.00%	0.00%	0.00%						
29		May-15							20.00%	0.00%	0.00%						
30		Jun-15							20.00%	0.00%	0.00%						
31		Jul-15							20.00%	0.00%	0.00%						
32		Aug-15							20.00%	0.00%	0.00%						
33		Sep-15							20.00%	0.00%	0.00%						
34		Oct-15							20.00%	0.00%	0.00%						
35		Nov-15							20.00%	0.00%	0.00%						
36		Dec-15							20.00%	0.00%	0.00%						
37	2015 Total																

Line No.	Customer Class	12 month Average Meter Counts by Customer Class		Percentage to All Customer Classes	Allocation of 2015 Projected Capital
		A	B		
38	Residential Customer Class			0.0000%	\$ -
39	Commercial Customer Class			0.0000%	\$ -
40	Industrial Customer Class	166	166	100.0000%	\$ 3,187
41	Total	166	166	100.0000%	\$ 3,187

Notes:  
 (4) = (3) current month + (4) prior month  
 (5) = [(3) current month x 6.6667%/12 x 0.5] + [(4) prior month x 6.6667%/12]  
 (6) = [(3) current month x 6.6667%/12 x 0.5] + [(4) prior month x 6.6667%/12]  
 (7) during 2014 = [(6) current month x (3) total during 2013]/12  
 (8) during 2014 = [(6) current month x (3) total during 2013]/12  
 (9) during 2015 = [(8) current month x (3) current month / months left in year] + (9) prior month  
 (10) during 2015 = [(8) current month x (3) current month / months left in year] + (9) prior month  
 (11) during 2015 = [(10) current month + (12) prior month - (9) current month] x 35% tax rate + (14) prior month  
 (12) = [(5) current month + (12) prior month - (7) current month - (9) current month] x 35% tax rate + (14) prior month  
 (13) = [(15) x Schedule B Pre Tax Cost of Capital/12] + (5) current month

Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Hardware

Line No.	Year	Month	Projected Smart Meter Technologies Capital Additions (3)	Capital Month Ending (4) see notes	Regulatory Book Depreciation (5) see notes	2013 Tax Depreciation Rate (IRS Publication 946, Table A-1) (6)	2014 Tax Depreciation Rate (IRS Publication 946, Table A-1) (8)	2015 Tax Depreciation Rate (IRS Publication 946, Table A-1) (10)	2015 Tax Depreciation (11)	Regulatory Depreciation Reserve (12) see notes	Not Plant (13) = (4)-(12)	Accumulated Deferred Income Taxes ("ADIT") (14) see notes	Ratio Ratio (15) = (11)/(12)	Monthly Revenue Requirement (Excluding PA GRT) (16) see notes	
															2013 Tax Depreciation (7) see notes
1	2013	Jan-13	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
2	Feb-13	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
3	Mar-13	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
4	Apr-13	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
5	May-13	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
6	Jun-13	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	\$	\$	\$	
7	Jul-13	\$	75,736	\$	1,262	20.00%	0.00%	0.00%	\$	\$	74,473	(442)	\$	74,032	
8	Aug-13	\$	89,446	\$	1,377	20.00%	0.00%	0.00%	\$	\$	88,070	(1,008)	\$	87,062	
9	Sep-13	\$	13,710	\$	1,491	20.00%	0.00%	0.00%	\$	\$	12,220	(1,589)	\$	10,631	
10	Oct-13	\$	2,952	\$	1,515	20.00%	0.00%	0.00%	\$	\$	1,443	(2,203)	\$	(760)	
11	Nov-13	\$	\$	\$	1,540	20.00%	0.00%	0.00%	\$	\$	1,540	(2,809)	\$	(1,269)	
12	Dec-13	\$	124,654	\$	2,579	20.00%	0.00%	0.00%	\$	\$	122,075	(1,776)	\$	120,300	
13	2014	Jan-14	\$	217,052	\$	3,644	20.00%	0.00%	\$	\$	213,408	(12,545)	\$	200,863	
14	Feb-14	\$	3,168	\$	220,220	20.00%	0.00%	0.00%	\$	\$	217,052	(13,317)	\$	203,735	
15	Mar-14	\$	3,595	\$	223,736	20.00%	0.00%	0.00%	\$	\$	220,141	(14,278)	\$	205,863	
16	Apr-14	\$	48,797	\$	4,136	20.00%	0.00%	0.00%	\$	\$	46,661	(16,623)	\$	30,038	
17	May-14	\$	314,017	\$	6,139	20.00%	0.00%	0.00%	\$	\$	307,878	(18,097)	\$	289,781	
18	Jun-14	\$	392,840	\$	9,764	20.00%	0.00%	0.00%	\$	\$	383,076	(22,331)	\$	360,745	
19	Jul-14	\$	65,482	\$	1,262	20.00%	0.00%	0.00%	\$	\$	64,220	(31,756)	\$	32,464	
20	Aug-14	\$	184,260	\$	1,948	20.00%	0.00%	0.00%	\$	\$	182,312	(37,483)	\$	144,829	
21	Sep-14	\$	41,800	\$	2,292	20.00%	0.00%	0.00%	\$	\$	39,508	(44,021)	\$	(4,513)	
22	Oct-14	\$	495,750	\$	3,473	20.00%	0.00%	0.00%	\$	\$	492,277	(64,021)	\$	428,256	
23	Nov-14	\$	174,611	\$	1,905	20.00%	0.00%	0.00%	\$	\$	172,706	(91,847)	\$	80,859	
24	Dec-14	\$	168,520	\$	2,083	20.00%	0.00%	0.00%	\$	\$	166,437	(109,340)	\$	57,097	
25	2015	Jan-15	\$	2,252	\$	33,242	20.00%	0.00%	\$	\$	2,219	(138,958)	\$	(136,739)	
26	Feb-15	\$	83,000	\$	2,352	20.00%	0.00%	0.00%	\$	\$	80,648	(181,406)	\$	(178,758)	
27	Mar-15	\$	49,929	\$	2,385	20.00%	0.00%	0.00%	\$	\$	47,544	(207,500)	\$	(202,756)	
28	Apr-15	\$	62,250	\$	2,447	20.00%	0.00%	0.00%	\$	\$	60,003	(307,694)	\$	(301,691)	
29	May-15	\$	80,000	\$	2,489	20.00%	0.00%	0.00%	\$	\$	77,511	(418,221)	\$	(410,710)	
30	Jun-15	\$	62,250	\$	2,572	20.00%	0.00%	0.00%	\$	\$	59,678	(503,209)	\$	(497,231)	
31	Jul-15	\$	99,600	\$	2,634	20.00%	0.00%	0.00%	\$	\$	96,966	(604,209)	\$	(597,243)	
32	Aug-15	\$	5,978	\$	2,733	20.00%	0.00%	0.00%	\$	\$	3,245	(703,568)	\$	(699,323)	
33	Sep-15	\$	\$	\$	2,739	20.00%	0.00%	0.00%	\$	\$	2,739	(778,502)	\$	(775,763)	
34	Oct-15	\$	\$	\$	3,022	20.00%	0.00%	0.00%	\$	\$	3,022	(838,400)	\$	(835,378)	
35	Nov-15	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	(1,217,104)	\$	(1,217,104)	
36	Dec-15	\$	\$	\$	\$	20.00%	0.00%	0.00%	\$	\$	\$	(1,217,104)	\$	(1,217,104)	
25	2015 Total	\$	2,804,384	\$	676,257	\$	2,128,127	\$	576,257	\$	676,257	\$	1,451,870	\$	1,125,117

Line No.	Customer Class	Hardware		Allocation of 2015 Projected Capital Rev Req C = B x Line 37, Col. 14
		12 month Average Meter Counts by Customer Class	Percentage to All Customer Classes	
25	Residential Customer Class	147,925	87.9323%	\$ 852,200
27	Commercial Customer Class	20,135	11.5691%	\$ 115,999
28	Industrial Customer Class	166	0.0985%	\$ 956
29	Total	168,226	100.0000%	\$ 969,155

NOTES:  
(4) = (3) current month + (6) prior month  
(5) = [(3) current month x 20.0000%/12 x 0.5] + [(4) prior month x 20.0000%/12]  
(6) during 2013 = [(6) current month x (3) current month / months left in year] + (7) prior month  
(7) during 2014 = [(6) current month x (3) total during 2013 / 12  
(8) during 2015 = [(6) current month x (3) total during 2013 / 12  
(9) during 2015 = [(6) current month x (3) current month / months left in year] + (9) prior month  
(10) during 2015 = [(6) current month x (3) current month / months left in year] + (9) prior month  
(11) during 2015 = [(6) current month x (3) current month / months left in year] + (11) prior month  
(12) = (5) current month + (12) prior month  
(14) = [(15) current month - (7) current month - (9) current month] x 35% tax rate] - (14) prior month  
(16) = [(15) x Schedule B Pre Tax Cost of Capital/12] - (9) current month

Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Connected Grid Routers

Line No.	Year	Month	Projected Smart Meter Technologies Capital Additions (3)	Capital Month Ending (4) see notes	Regulatory Book Depreciation (5) see notes	2013 Tax Depreciation Rate (IRS Publication 946, Table A-1) (6)	2013 Tax Depreciation Rate (IRS Publication 946, Table A-1) (7) see notes	2014 Tax Depreciation Rate (IRS Publication 946, Table A-1) (8)	2015 Tax Depreciation Rate (IRS Publication 946, Table A-1) (10)	Regulatory Depreciation Rate (12) see notes	Net Plant (13) = (4)-(12)	Accumulated Deferred Income Taxes ("ADIT") (14) see notes	Rate Base (15) = (11)-(12)	Monthly Revenue Requirement (Excluding PA GRT) (16) see notes
1	2013	Jan-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
2		Feb-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
3		Mar-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
4		Apr-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
5		May-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
6		Jun-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
7		Jul-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
8		Aug-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
9		Sep-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
10		Oct-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
11		Nov-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
12		Dec-13	\$	\$	\$	20.00%	0.00%	0.00%	0.00%	\$	\$	\$	\$	\$
13	2014	Jan-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
14		Feb-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
15		Mar-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
16		Apr-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
17		May-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
18		Jun-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
19		Jul-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
20		Aug-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
21		Sep-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
22		Oct-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
23		Nov-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
24		Dec-14	\$	\$	\$	20.00%	0.00%	20.00%	0.00%	\$	\$	\$	\$	\$
25	2015	Jan-15	\$	83,035	\$	19.20%	32.00%	32.00%	32.00%	692	82,243	(742)	82,101	1,571
26		Feb-15	\$	166,070	\$	19.20%	32.00%	32.00%	32.00%	2,768	163,302	(1,866)	162,436	3,714
27		Mar-15	\$	83,035	\$	19.20%	32.00%	32.00%	32.00%	692	82,343	(742)	82,101	1,571
28		Apr-15	\$	332,140	\$	19.20%	32.00%	32.00%	32.00%	5,536	326,604	(3,684)	322,920	6,854
29		May-15	\$	415,174	\$	19.20%	32.00%	32.00%	32.00%	6,920	408,254	(4,008)	404,246	8,026
30		Jun-15	\$	488,209	\$	19.20%	32.00%	32.00%	32.00%	8,304	480,905	(4,392)	476,513	9,498
31		Jul-15	\$	561,244	\$	19.20%	32.00%	32.00%	32.00%	9,688	551,556	(4,780)	546,776	10,970
32		Aug-15	\$	634,279	\$	19.20%	32.00%	32.00%	32.00%	11,072	623,207	(5,168)	618,039	12,442
33		Sep-15	\$	707,314	\$	19.20%	32.00%	32.00%	32.00%	12,456	694,858	(5,556)	689,302	13,914
34		Oct-15	\$	780,349	\$	19.20%	32.00%	32.00%	32.00%	13,840	766,509	(5,944)	760,565	15,386
35		Nov-15	\$	853,384	\$	19.20%	32.00%	32.00%	32.00%	15,224	838,160	(6,332)	831,828	16,858
36		Dec-15	\$	926,419	\$	19.20%	32.00%	32.00%	32.00%	16,608	909,811	(6,720)	903,091	18,330
37	2015 Total		\$	998,273	\$					99,638			\$	155,266

Line No.	Customer Class	12 month Average Meter Counts by Customer Class		Percentage to All Customer Classes	Allocation of 2015 Projected Capital Rev Req C = B x Line 37, Col.14
		A	B		
38	Residential Customer Class	147,925	87,932%		\$ 136,635
39	Commercial Customer Class	20,135	11,9691%		\$ 18,598
40	Industrial Customer Class	465	0,0985%		\$ 433
41	Total	168,525	100,0000%		\$ 155,666

Notes:

- (4) = (3) current month + (4) prior month
- (5) = [(3) current month x 0.6667/12 x 0.5] + [(4) prior month x 0.6667/12]
- (6) during 2013 = [(6) current month x (3) current month / months left in year] + (7) prior month
- (7) during 2014 = [(6) current month x (3) total during 2013] / 12
- (8) during 2015 = [(6) current month x (3) total during 2013] / 12
- (9) during 2014 = [(8) current month x (3) current month / months left in year] + (9) prior month
- (10) during 2015 = [(8) current month x (3) total during 2014] / 12
- (11) during 2015 = [(10) current month x (3) current month / months left in year] + (11) prior month
- (12) = (5) current month + (12) prior month
- (13) = [(15) current month - (12) current month - (11) current month] x 35% tax rate + (14) prior month
- (14) = [(15) x Schedule B Pre Tax Cost of Capital] + (9) current month
- (15) = [(15) x Schedule B Pre Tax Cost of Capital] + (9) current month

Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Software

Line No.	Year	Month	Projected Smart Meter Technologies Capital Additions	Capital Month Ending	Regulatory Book Depreciation	2013 Tax Depreciation Rate (RS Publication 946, Table A-1)	2013 Tax Depreciation	2014 Tax Depreciation Rate (RS Publication 946, Table A-1)	2014 Tax Depreciation	2015 Tax Depreciation Rate (RS Publication 946, Table A-1)	2015 Tax Depreciation	Regulatory Depreciation Reserve	Net Plant	Accumulated Deferred Income Taxes ("ADIT")	Rate Base	Monthly Revenue Requirement (Excluding PA GRT)
1	2013	Jan-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
2		Feb-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
3		Mar-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
4		Apr-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
5		May-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
6		Jun-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
7		Jul-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
8		Aug-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
9		Sep-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
10		Oct-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
11		Nov-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
12		Dec-13	\$	\$	\$	33.33%	\$	0.00%	\$	0.00%	\$	\$	\$	\$	\$	\$
13	2014	Jan-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
14		Feb-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
15		Mar-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
16		Apr-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
17		May-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
18		Jun-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
19		Jul-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
20		Aug-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
21		Sep-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
22		Oct-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
23		Nov-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
24		Dec-14	\$	\$	\$	44.45%	\$	33.33%	\$	0.00%	\$	\$	\$	\$	\$	\$
25	2015	Jan-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
26		Feb-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
27		Mar-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
28		Apr-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
29		May-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
30		Jun-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
31		Jul-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
32		Aug-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
33		Sep-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
34		Oct-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
35		Nov-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
36		Dec-15	\$	\$	\$	14.81%	\$	44.45%	\$	33.33%	\$	\$	\$	\$	\$	\$
37	2015 Total		\$	\$	\$	469,804	\$	469,804	\$	469,804	\$	\$	\$	\$	\$	745,794

Line No.	Customer Class	Average Meter Counts by Customer Class	Percentage to All Customer Classes	Allocation of 2015 Projected Capital	
				Rev Req	Col.14
38	Residential Customer Class	147,925	87.9323%	\$	665,794
39	Commercial Customer Class	20,135	11.9891%	\$	89,265
40	Industrial Customer Class	166	0.0986%	\$	735
41	Total	168,226	100.0000%	\$	745,794

Notes:

- (4) = (3) current month + (4) prior month
- (5) = [(3) current month x 14.2857%/12 x 0.5] + [(4) prior month x 14.2857%/12]
- (6) during 2014 = [(6) current month x (3) current month / months left in year] + (7) prior month
- (7) during 2014 = [(6) current month x (3) total during 2013] / 12
- (8) during 2014 = [(8) current month x (3) total during 2013] / 12
- (9) during 2015 = [(9) current month x (3) current month / months left in year] + (9) prior month
- (10) during 2015 = [(9) current month x (3) total during 2014] / 12
- (11) during 2015 = [(10) current month x (3) current month / months left in year] + (11) prior month
- (12) = (5) current month + (12) prior month
- (14) = [(15) current month - (7) current month - (11) current month] x 35% tax rate + (14) prior month
- (16) = [(15) x Schedule B Pro Tax Cost of Capital/12] + (5) current month

PENNSYLVANIA POWER COMPANY  
 Projected Smart Meter Technologies Capital Revenue Requirement Recoverable Through Smart Meter Technologies Charges ("SMT-C")

Line No.	Customer Class	Allocation of Projected Capital Revenue Requirement										
		Residential Meters 2015 Revenue Requirement	Commercial Meters 2015 Revenue Requirement	Industrial Meters 2015 Revenue Requirement	Hardware 2015 Revenue Requirement	Connected Grid Routers 2015 Revenue Requirement	Software 2015 Revenue Requirement	Total 2015 Revenue Requirement	(1) = (2)-(7) + (4)-(6)-(5)-(7)			
1	Residential Customer Class	\$ 2,946,500	\$ -	\$ -	\$ -	\$ 106,635	\$ 655,794	\$ 4,591,129				
2	Commercial Customer Class	\$ -	\$ 500,662	\$ -	\$ 115,008	\$ 18,508	\$ 89,285	\$ 724,524				
3	Industrial Customer Class	\$ -	\$ -	\$ 3,187	\$ 356	\$ 153	\$ 735	\$ 5,031				
4	Total	\$ 2,946,500	\$ 500,662	\$ 3,187	\$ 969,155	\$ 155,386	\$ 745,794	\$ 6,320,684				

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Reconciliation Statement of Revenues and Expenses**  
**For the SMT-C Reconciliation Year Ended June 30, 2014**

**Residential Customer Class**

Line No.	Month (1)	SMT-C Revenues (Excluding PA GRT) (2)	Smart Meter Technologies O&M Costs (3)	Smart Meter Technologies Capital Revenue Requirement (Excluding PA GRT) (4)	Monthly Over / (Under) Collection (5) = (2)-(3)-(4)	Annual Interest Rate Per 41 P.S. § 202 (6)	Monthly Interest Rate (7) = (6) / 12	Number of Months to Mid-Point of Next SMT-C Rate Billing Period from Current Month (A) (8)	Interest Amount on Monthly Over / (Under) Collection (9) = (5) x (7) x (8)	Cumulative Over / (Under) Collections and Interest (10)
1	July 2013	\$ 175,064	\$ 132,071	\$ 2,199	\$ 40,794	6.0000%	0.5000%	24	\$ 4,895	\$ 45,689
2	August 2013	\$ 174,438	\$ 157,590	\$ 3,142	\$ 13,706	6.0000%	0.5000%	23	\$ 1,576	\$ 60,971
3	September 2013	\$ 174,941	\$ 165,818	\$ 3,505	\$ 5,617	6.0000%	0.5000%	22	\$ 618	\$ 67,206
4	October 2013	\$ 174,752	\$ 119,147	\$ 3,841	\$ 51,765	6.0000%	0.5000%	21	\$ 5,435	\$ 124,406
5	November 2013	\$ 174,775	\$ 293,778	\$ 4,104	\$ (123,108)	6.0000%	0.5000%	20	\$ (12,311)	\$ (11,013)
6	December 2013	\$ 174,928	\$ 221,312	\$ 5,931	\$ (52,315)	6.0000%	0.5000%	19	\$ (4,970)	\$ (68,298)
7	January 2014	\$ 219,737	\$ 163,512	\$ 8,137	\$ 48,087	6.0000%	0.5000%	18	\$ 4,328	\$ (15,883)
8	February 2014	\$ 271,415	\$ 220,010	\$ 8,492	\$ 42,913	6.0000%	0.5000%	17	\$ 3,648	\$ 30,678
9	March 2014	\$ 273,550	\$ 192,380	\$ 9,501	\$ 71,668	6.0000%	0.5000%	16	\$ 5,733	\$ 108,080
10	April 2014	\$ 273,258	\$ 230,797	\$ 15,506	\$ 26,955	6.0000%	0.5000%	15	\$ 2,022	\$ 137,056
11	May 2014	\$ 273,038	\$ 199,224	\$ 18,208	\$ 55,605	6.0000%	0.5000%	14	\$ 3,892	\$ 196,553
12	June 2014	\$ 274,206	\$ 264,220	\$ 24,849	\$ (14,863)	6.0000%	0.5000%	13	\$ (966)	\$ 180,725
13	Residential Customer Class Totals for SMT-C Reconciliation Year Ended June 30, 2014	\$ 2,634,101	\$ 2,359,859	\$ 107,417	\$ 166,825				\$ 13,900	\$ 180,725

(A) Mid-point of the next SMT-C Rate Billing Period is June 30, 2015 during which the net over / (under) recoveries, including interest, for the SMT-C Reconciliation Year ended June 30, 2014 will be refunded to / (recouped from) customers served under the SMT-C Rider.



**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Reconciliation Statement of Revenues and Expenses**  
**For the SMT-C Reconciliation Year Ended June 30, 2014**

Line No.	Month (1)	Commercial Customer Class									
		SMT-C Revenues (Excluding PA GRT) (2)	Smart Meter Technologies O&M Costs (3)	Smart Meter Technologies Revenue Requirement (Excluding PA GRT) (4)	Monthly Over / (Under) Collection (5) = (2)-(3)-(4)	Annual Interest Rate Per 41 P.S. § 202 (6)	Monthly Interest Rate (7) = (6) / 12	Number of Months to Mid-Point of Next SMT-C Rate Billing Period from Current Month (A) (8)	Interest Amount on Monthly Over / (Under) Collection (9) = (5)x(7)x(8)	Cumulative Over / (Under) Collections and Interest (10)	
1	July 2013	\$ 23,686	\$ 18,147	\$ 311	\$ 5,227	6.0000%	0.5000%	24	\$ 627	\$ 5,854	
2	August 2013	\$ 23,593	\$ 21,654	\$ 712	\$ 1,227	6.0000%	0.5000%	23	\$ 141	\$ 7,222	
3	September 2013	\$ 23,452	\$ 22,785	\$ 1,029	\$ (363)	6.0000%	0.5000%	22	\$ (40)	\$ 6,819	
4	October 2013	\$ 23,698	\$ 16,372	\$ 1,292	\$ 6,034	6.0000%	0.5000%	21	\$ 634	\$ 13,488	
5	November 2013	\$ 23,430	\$ 40,367	\$ 1,394	\$ (18,331)	6.0000%	0.5000%	20	\$ (1,833)	\$ (6,676)	
6	December 2013	\$ 23,652	\$ 30,410	\$ 1,703	\$ (8,461)	6.0000%	0.5000%	19	\$ (804)	\$ (15,941)	
7	January 2014	\$ 29,292	\$ 23,458	\$ 2,280	\$ 3,554	6.0000%	0.5000%	18	\$ 320	\$ (12,067)	
8	February 2014	\$ 36,068	\$ 31,563	\$ 2,298	\$ 2,207	6.0000%	0.5000%	17	\$ 188	\$ (9,672)	
9	March 2014	\$ 36,927	\$ 27,599	\$ 2,547	\$ 6,781	6.0000%	0.5000%	16	\$ 542	\$ (2,349)	
10	April 2014	\$ 36,686	\$ 33,111	\$ 3,438	\$ 137	6.0000%	0.5000%	15	\$ 10	\$ (2,201)	
11	May 2014	\$ 36,900	\$ 28,581	\$ 4,019	\$ 4,300	6.0000%	0.5000%	14	\$ 301	\$ 2,400	
12	June 2014	\$ 36,986	\$ 37,906	\$ 5,004	\$ (5,924)	6.0000%	0.5000%	13	\$ (385)	\$ (3,910)	
13	Commercial Customer Class Totals for SMT-C Reconciliation Year Ended June 30, 2014	\$ 354,370	\$ 331,953	\$ 26,028	\$ (3,611)				\$ (299)	\$ (3,910)	

(A) Mid-point of the next SMT-C Rate Billing Period is June 30, 2015 during which the net over / (under) recovers, including interest, for the SMT-C Reconciliation Year ended June 30, 2014 will be refunded to / (recouped from) customers served under the SMT-C Rider.

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Reconciliation Statement of Revenues and Expenses**  
**For the SMT-C Reconciliation Year Ended June 30, 2014**

**Industrial Customer Class**

Line No.	Month (1)	SMT-C Revenues (Excluding PA GRT) (2)	Smart Meter Technologies O&M Costs (3)	Smart Meter Technologies Revenue Requirement (Excluding PA GRT) (4)	Monthly Over / (Under) Collection (5) = (2)-(3)-(4)	Annual Interest Rate Per 41 P.S. § 202 (6)	Monthly Interest Rate (7) = (6) / 12	Number of Months to Mid-Point of Next SMT-C Rate Billing Period from Current Month (A) (8)	Interest Amount on Monthly Over / (Under) Collection (9) = (5)X(7)X(8)	Cumulative Over / (Under) Collections and Interest (10)
1	July 2013	\$ 166	\$ 134	\$ 2	\$ 31	6.0000%	0.5000%	24	\$ 4	\$ 35
2	August 2013	\$ 162	\$ 159	\$ 2	\$ 1	6.0000%	0.5000%	23	\$ -	\$ 36
3	September 2013	\$ 174	\$ 166	\$ 2	\$ 4	6.0000%	0.5000%	22	\$ -	\$ 40
4	October 2013	\$ 167	\$ 121	\$ 2	\$ 45	6.0000%	0.5000%	21	\$ (13)	\$ 89
5	November 2013	\$ 168	\$ 297	\$ 2	\$ (131)	6.0000%	0.5000%	20	\$ (6)	\$ (54)
6	December 2013	\$ 169	\$ 224	\$ 4	\$ (58)	6.0000%	0.5000%	19	\$ 3	\$ (119)
7	January 2014	\$ 205	\$ 162	\$ 5	\$ 38	6.0000%	0.5000%	18	\$ 3	\$ (77)
8	February 2014	\$ 264	\$ 218	\$ 5	\$ 41	6.0000%	0.5000%	17	\$ 3	\$ (32)
9	March 2014	\$ 290	\$ 191	\$ 6	\$ 93	6.0000%	0.5000%	16	\$ 2	\$ 69
10	April 2014	\$ 272	\$ 229	\$ 11	\$ 32	6.0000%	0.5000%	15	\$ 2	\$ 104
11	May 2014	\$ 283	\$ 197	\$ 13	\$ 72	6.0000%	0.5000%	14	\$ 5	\$ 181
12	June 2014	\$ 279	\$ 262	\$ 19	\$ (2)	6.0000%	0.5000%	13	\$ (0)	\$ 178
13	<b>Industrial Customer Class Totals for SMT-C Reconciliation Year Ended June 30, 2014</b>	<b>\$ 2,599</b>	<b>\$ 2,362</b>	<b>\$ 71</b>	<b>\$ 167</b>				<b>\$ 12</b>	<b>\$ 178</b>

(A) Mid-point of the next SMT-C Rate Billing Period is June 30, 2015 during which the net over / (under) recoveries, including interest, for the SMT-C Reconciliation Year ended June 30, 2014 will be refunded to / (recouped from) customers served under the SMT-C Rider.

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Reconciliation Statement of Revenues and Expenses**  
**For the SMT-C Reconciliation Year Ended June 30, 2014**

All Customer Classes

Line No.	Month (1)	SMT-C Revenues (Excluding PA GRT) (2)	Smart Meter Technologies O&M Costs (3)	Smart Meter Technologies Capital Revenue Requirement (Excluding PA GRT) (4)	Monthly Over / (Under) Collection (5) = (2)-(3)-(4)	Annual Interest Rate Per 41 P.S. § 202 (6)	Monthly Interest Rate (7) = (6) / 12	Number of Months to Mid-Point of Next SMT-C Rate Billing Period from Current Month (A) (8)	Interest Amount on Monthly Over / (Under) Collection (9) = (5)X(7)X(8)	Cumulative Over / (Under) Collections and Interest (10)
1	July 2013	\$ 198,916	\$ 150,352	\$ 2,512	\$ 46,052	6.0000%	0.5000%	24	\$ 5,526	\$ 51,578
2	August 2013	\$ 198,193	\$ 179,403	\$ 3,856	\$ 14,933	6.0000%	0.5000%	23	\$ 1,717	\$ 68,229
3	September 2013	\$ 198,566	\$ 188,771	\$ 4,537	\$ 5,259	6.0000%	0.5000%	22	\$ 578	\$ 74,065
4	October 2013	\$ 198,618	\$ 135,639	\$ 5,135	\$ 57,844	6.0000%	0.5000%	21	\$ 6,074	\$ 137,983
5	November 2013	\$ 198,373	\$ 334,443	\$ 5,500	\$ (141,570)	6.0000%	0.5000%	20	\$ (14,157)	\$ (17,743)
6	December 2013	\$ 198,749	\$ 251,946	\$ 7,638	\$ (60,835)	6.0000%	0.5000%	19	\$ (5,780)	\$ (28,026)
7	January 2014	\$ 249,234	\$ 187,132	\$ 10,422	\$ 51,680	6.0000%	0.5000%	18	\$ 4,651	\$ 20,973
8	February 2014	\$ 307,747	\$ 251,791	\$ 10,795	\$ 45,161	6.0000%	0.5000%	17	\$ 3,839	\$ 105,800
9	March 2014	\$ 310,767	\$ 220,171	\$ 12,054	\$ 78,543	6.0000%	0.5000%	16	\$ 6,283	\$ 134,958
10	April 2014	\$ 310,216	\$ 264,136	\$ 18,956	\$ 27,124	6.0000%	0.5000%	15	\$ 2,034	\$ 199,134
11	May 2014	\$ 310,221	\$ 228,003	\$ 22,241	\$ 59,977	6.0000%	0.5000%	14	\$ 4,198	\$ 176,993
12	June 2014	\$ 311,471	\$ 302,988	\$ 29,872	\$ (20,789)	6.0000%	0.5000%	13	\$ (1,351)	\$
13	All Customer Classes Totals for SMT-C Reconciliation Year Ended June 30, 2014	\$ 2,991,070	\$ 2,694,174	\$ 133,515	\$ 163,381				\$ 13,613	\$ 176,993

(A) Mid-point of the next SMT-C Rate Billing Period is June 30, 2015 during which the net over / (under) recoveries, including interest, for the SMT-C Reconciliation Year ended June 30, 2014 will be refunded to / (recouped from) customers served under the SMT-C Rider.

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Actual and Projected E-factor Revenues**  
**To be Reflected in 2015 SMT-C Rates**

Residential Customer Class

Line No.	Month	(1)	(2)	(3)	(4)
		Ending Balance at June 30, 2013	E-Factor Revenues (Excluding PA GRT) Applied to Over / (Under) Collection Balance	Cumulative Over / (Under) Collections Including Interest for the SMT-C Reconciliation Year of July 1, 2013 thru June 30, 2014	Projected Cumulative Remaining Over / (Under) Collections Including Interest
1		Ending Balance at June 30, 2013			\$ 775,121
2	July 2013		(45,991)		\$ 729,130
3	August 2013		(45,827)		\$ 683,303
4	September 2013		(45,959)		\$ 637,344
5	October 2013		(45,909)		\$ 591,435
6	November 2013		(45,915)		\$ 545,519
7	December 2013		(45,956)		\$ 499,564
8	January 2014		(50,036)		\$ 449,528
9	February 2014		(44,571)		\$ 404,956
10	March 2014		(44,601)		\$ 360,356
11	April 2014		(44,553)		\$ 315,803
12	May 2014		(44,517)		\$ 271,286
13	June 2014		(44,707)	\$ 180,725 (A)	\$ 407,303
14	July 2014 Projected		(42,576)		\$ 364,727
15	August 2014 Projected		(42,586)		\$ 322,141
16	September 2014 Projected		(42,596)		\$ 279,545
17	October 2014 Projected		(42,607)		\$ 236,938
18	November 2014 Projected		(42,617)		\$ 194,321
19	December 2014 Projected		(42,628)		\$ 151,693
20		Residential Customer Class Totals July 2013 through December 2014	\$ (804,153)	\$ 180,725	
21		<b>Projected Cumulative Remaining Over / (Under) Collections Including Interest</b>			<b>\$ 151,693</b>

(A) From Schedule 5, Page 1, Line 13, Column 10

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Actual and Projected E-factor Revenues**  
**To be Reflected in 2015 SMT-C Rates**

Line No.	Month	Commercial Customer Class		
		(1)	(2)	(3)
		E-Factor Revenues (Excluding PA GRT) Applied to Over / (Under) Collection Balance	Cumulative Over / (Under) Collections Including Interest for the SMT-C Reconciliation Year of July 1, 2013 thru June 30, 2014	Projected Cumulative Remaining Over / (Under) Collections Including Interest
1	Ending Balance at June 30, 2013			\$ 89,511
2	July 2013	(4,854)		\$ 84,657
3	August 2013	(4,835)		\$ 79,822
4	September 2013	(4,806)		\$ 75,017
5	October 2013	(4,856)		\$ 70,161
6	November 2013	(4,801)		\$ 65,359
7	December 2013	(4,847)		\$ 60,513
8	January 2014	(5,190)		\$ 55,323
9	February 2014	(4,636)		\$ 50,686
10	March 2014	(4,714)		\$ 45,972
11	April 2014	(4,683)		\$ 41,289
12	May 2014	(4,711)		\$ 36,578
13	June 2014	(4,722)	\$ (3,910) (A)	\$ 27,947
14	July 2014 Projected	(4,835)		\$ 23,112
15	August 2014 Projected	(4,837)		\$ 18,274
16	September 2014 Projected	(4,840)		\$ 13,434
17	October 2014 Projected	(4,843)		\$ 8,592
18	November 2014 Projected	(4,845)		\$ 3,746
19	December 2014 Projected	(4,848)		\$ (1,102)
20	Commercial Customer Class Totals July 2013 through December 2014	\$ (86,703)	\$ (3,910)	
21	Projected Cumulative Remaining Over / (Under) Collections Including Interest			\$ (1,102)

(A) From Schedule 5, Page 2, Line 13, Column 10

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Actual and Projected E-factor Revenues**  
**To be Reflected in 2015 SMT-C Rates**

**Industrial Customer Class**

Line No.	Month	Industrial Customer Class		
		(1)	(2)	(3)
		E-Factor Revenues (Excluding PA GRT) Applied to Over / (Under) Collection Balance	Cumulative Over / (Under) Collections Including Interest for the SMT-C Reconciliation Year of July 1, 2013 thru June 30, 2014	Projected Cumulative Remaining Over / (Under) Collections Including Interest
1	Ending Balance at June 30, 2013		(4)	\$ 594
2	July 2013	\$ (30)		\$ 564
3	August 2013	\$ (29)		\$ 534
4	September 2013	\$ (31)		\$ 503
5	October 2013	\$ (30)		\$ 473
6	November 2013	\$ (30)		\$ 443
7	December 2013	\$ (31)		\$ 412
8	January 2014	\$ (34)		\$ 379
9	February 2014	\$ (36)		\$ 343
10	March 2014	\$ (39)		\$ 304
11	April 2014	\$ (36)		\$ 268
12	May 2014	\$ (38)		\$ 230
13	June 2014	\$ (37)	\$ 178 (A)	\$ 371
14	July 2014 Projected	\$ (36)		\$ 335
15	August 2014 Projected	\$ (36)		\$ 299
16	September 2014 Projected	\$ (36)		\$ 263
17	October 2014 Projected	\$ (36)		\$ 227
18	November 2014 Projected	\$ (36)		\$ 191
19	December 2014 Projected	\$ (36)		\$ 155
20	Industrial Customer Class Totals July 2013 through December 2014	\$ (617)	\$ 178	
21	<b>Projected Cumulative Remaining Over / (Under) Collections Including Interest</b>			<b>\$ 155</b>

(A) From Schedule 5, Page 3, Line 13, Column 10

**PENNSYLVANIA POWER COMPANY**  
**Smart Meter Technologies Charge ("SMT-C") Actual and Projected E-factor Revenues**  
**To be Reflected in 2015 SMT-C Rates**

All Customer Classes

Line No.	Month	(1)	(2)	(3)	(4)
		Ending Balance at June 30, 2013	E-Factor Revenues (Excluding PA GRT) Applied to Over / (Under) Collection Balance	Cumulative Over / (Under) Collections Including Interest for the SMT-C Reconciliation Year of July 1, 2013 thru June 30, 2014	Projected Cumulative Remaining Over / (Under) Collections Including Interest
1					\$ 865,226
2	July 2013		(50,875)		\$ 814,351
3	August 2013		(50,691)		\$ 763,660
4	September 2013		(50,796)		\$ 712,864
5	October 2013		(50,796)		\$ 662,068
6	November 2013		(50,747)		\$ 611,321
7	December 2013		(50,833)		\$ 560,489
8	January 2014		(55,260)		\$ 505,229
9	February 2014		(49,243)		\$ 455,986
10	March 2014		(49,353)		\$ 406,632
11	April 2014		(49,273)		\$ 357,360
12	May 2014		(49,266)		\$ 308,094
13	June 2014		(49,466)		\$ 435,621
14	July 2014 Projected		(47,447)	\$ 176,993 (A)	\$ 388,174
15	August 2014 Projected		(47,459)		\$ 340,715
16	September 2014 Projected		(47,472)		\$ 293,242
17	October 2014 Projected		(47,485)		\$ 245,757
18	November 2014 Projected		(47,499)		\$ 198,258
19	December 2014 Projected		(47,512)		\$ 150,746
20	All Customer Classes Totals July 2013 through December 2014		\$ (891,473)	\$ 176,993	
21	<b>Projected Cumulative Remaining Over / (Under) Collections Including Interest</b>				<b>\$ 150,746</b>

(A) From Schedule 5, Page 4, Line 13, Column 10

**PENNSYLVANIA POWER COMPANY**  
**Projected Average Customer Class Count ("ACCC") by Customer Class**  
**For the Smart Meter Technologies Charge ("SMT-C") Computation Year**  
**For the Twelve Months Ending December 31, 2015**

Line No.	Month	Customer Count		
		Residential Class	Commercial Class	Industrial Class
	(1)	(2)	(3)	(4)
1	January 2015	142,129	20,211	150
2	February 2015	142,166	20,222	150
3	March 2015	142,203	20,233	150
4	April 2015	142,241	20,244	150
5	May 2015	142,279	20,255	150
6	June 2015	142,318	20,266	150
7	July 2015	142,357	20,278	150
8	August 2015	142,398	20,289	150
9	September 2015	142,439	20,300	150
10	October 2015	142,481	20,312	150
11	November 2015	142,523	20,323	150
12	December 2015	142,566	20,335	150
<b>13</b>	<b>Projected Average Customer Class Counts ("ACCC")</b>	<b>142,342</b>	<b>20,272</b>	<b>150</b>



**PENNSYLVANIA POWER COMPANY**  
Composite Cost Rate of Total Capital  
**BFUS Quarterly Earnings Report for the Period ended March 31, 2014**

Line No.	Description (1)	Capital Ratios (A) (2)	Cost Rate (3)	Weighted Cost Rate (4) = (2)x(3)
1	Debt	47.37%	6.39% (B)	3.03%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Common Equity	<u>52.63%</u>	10.10% (C)	<u>5.32%</u>
4	Total	100.00%		8.34%
5	Pre Tax Cost of Capital (before PA GRT)			12.11% (D)

(A) If the Company's last litigated base rate case is more than three years old, the capital structure ratio that will be used is the Company's actual capital structure included in the then most recent Quarterly Earnings Report. If the Company's actual capital structure from the Quarterly Earnings Report is outside the zone of reasonableness for the electric utility industry, the capital structure ratio that will be used is the average of the electric utility barometer group that is included in the then most recent Quarterly Earnings Report. (Figs. 25-26, PUC Order entered June 9, 2010, Docket No. M-2009-2123950)  
Range of Reasonable Equity Ratios from the Quarterly Earnings Report ended March 31, 2013: 41.50%-56.00%

(B) The most recent Quarterly Earnings Reports should be used. The quarterly cost of debt and, where applicable, preferred stock, will be used in the Companies' annual reconciliation and annual projections to determine the Companies' weighted cost of capital. (Pg. 27, PUC Order entered June 9, 2010, Docket No. M-2009-2123950)

(C) If the last litigated base rate case is more than three years old, the Quarterly ROEs for the electric utility barometer group included in the then most recent Quarterly Earnings Report is to be utilized. (Pg. 30, PUC Order entered June 9, 2010, Docket No. M-2009-2123950)

(D) = 3.03% Weighted Debt unrounded + [ 5.32% Weighted Common Equity unrounded / (1 - 41.4935% tax rate) ]

**IRS Publication 946**  
**3-, 5-, 7-, 10-, 15-, and 20-Year Property**  
**Half-Year Convention**  
Table A-1

Year	Tax Depreciation Rate for Recovery Period					
	3-year	5-year	7-year	10-year	15-year	20-year
1	33.33%	20.00%	14.29%	10.00%	5.00%	3.750%
2	44.45%	32.00%	24.49%	18.00%	9.50%	7.219%
3	14.81%	19.20%	17.49%	14.40%	8.55%	6.677%
4	7.41%	11.52%	12.49%	11.52%	7.70%	6.177%
5		11.52%	8.93%	9.22%	6.93%	5.713%
6		5.76%	8.92%	7.37%	6.23%	5.285%
7			8.93%	6.55%	5.90%	4.888%
8			4.46%	6.55%	5.90%	4.522%
9				6.56%	5.91%	4.462%
10				6.55%	5.90%	4.461%
11				3.28%	5.91%	4.462%
12					5.90%	4.461%
13					5.91%	4.462%
14					5.90%	4.461%
15					5.91%	4.462%
16					2.95%	4.461%
17						4.462%
18						4.461%
19						4.462%
20						4.461%
21						2.231%

**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 Smart Meter :  
Technology Procurement and Installation Plan :  
:

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of Pennsylvania Power Company's Tariff Electric Pa. P.U.C. No. 35, Supplement No. XXX and accompanying supporting schedules upon the individuals listed below, in accordance with the requirements of 52 Pa. Code §1.54.

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