



Pike County Light & Power Co.

Pike County Light & Power Co.
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February 25, 2015

Honorable Rosemary Chiavetta
Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, Pennsylvania 17105-3265

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FEB 25 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary Chiavetta:

Pike County Light & Power Company ("Pike" or "the Company") herein submits for filing eight copies of its Statement of Default Service Charge, Statement No. DS-41, to its Schedule for Electric Service Pa. P.U.C. No. 8. This Statement is issued on February 25, 2015, to become effective March 1, 2015.

Pursuant to the Commission's Order entered March 20, 2014, in Docket No. P-2013-2371666, Pike's Default Service Charges are determined on a quarterly basis. The Default Service Charges are separated into two components: (1) the Market Price of Electric Supply, and (2) an Electric Supply Adjustment Charge. The Market Price of Electric Supply is based on the Company's forecast of electric supply costs for the period March 1, 2015 through May 31, 2015, applied to service classification-specific factors to reflect each service classification's load characteristics, forecast sales and applicable losses. The Electric Supply Adjustment Charge is set to reconcile differences between default service revenue and costs for the period November 2014 through January 2015.

The Company has also included a copy of the workpapers used to determine the Default Service Charges effective March 2015 through May 2015.

Should you have any questions or comments regarding this filing, please contact Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

William A. Atzl, Jr.
Director – Rate Engineering

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PA PUBLIC UTILITY COMMISSION
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STATEMENT OF DEFAULT SERVICE CHARGE

Applicable to Billings Under Service Classification
Nos. 1, 2, 3, and 4
For the Three-month Period March 1, 2015 through May 31, 2015

<u>SC No.</u>	<u>Description</u>	<u>Market Price of Electric Supply (¢/kWh)</u>	<u>Electric Supply Adjustment Charge (¢/kWh)</u>	<u>Default Service Charge (¢/kWh)</u>
1	Residential Service	8.5620	(2.0000)	6.5620
2	General Service Secondary	8.2230	(2.0000)	6.2230
2	General Service Primary	7.9150	(2.0000)	5.9150
3	Municipal Street Lighting	5.9340	(2.0000)	3.9340
4	Private Outdoor Lighting	6.0190	(2.0000)	4.0190

* The above charges include the provision for Gross Receipts Tax.

Issued: February 25, 2015

Effective: March 1, 2015

Issued by: Timothy Cawley, President
Milford, Pennsylvania

**Pike County Light and Power Company
Determination of the Market Price of Electric Supply
For the Period Mar 2015 through May 2015**

Market Price of Electric Supply

Forecast Quarterly Market Price 7.252

Ratio of Default Service Unit Costs @ Customer to All-In Average Cost @ Bulk System

includes Energy, Generation obligations, and Ancillary Services

	<u>SC1</u>	<u>SC2 Sec</u>	<u>SC2 Pri</u>	<u>SC3</u>	<u>SC4</u>
Annual - all hrs	1.111	1.067	1.027	0.770	0.781

Retail Default Service Rates Excluding GRT (¢/kWh)

Product of Forecast Quarterly Market Price and above ratios

	<u>SC1</u>	<u>SC2 Sec</u>	<u>SC2 Pri</u>	<u>SC3</u>	<u>SC4</u>
All kWh (¢/kWh)	8.057	7.738	7.448	5.584	5.664

Gross Receipts Tax

GRT Rate = 5.90%

Retail Default Service Rates Including GRT(¢/kWh)

Retail Default Service Rates Excluding GRT / (1 - GRT Rate)

	<u>SC1</u>	<u>SC2 Sec</u>	<u>SC2 Pri</u>	<u>SC3</u>	<u>SC4</u>
All kWh (¢/kWh)	8.562	8.223	7.915	5.934	6.019

PIKE COUNTY LIGHT AND POWER COMPANY
Determination of Class-specific (Over)/Under Recoveries

November 2014

1. Average Cost

Default Service Costs from Nov 2014	\$212,044
Sales (kWh)	2,827,258
Average Cost per kWh (¢/kWh)	7.5000

2. Default Service Ratios

	<u>Default Svc Sendout Ratio</u>	<u>Loss Factors</u>	<u>Default Svc Sales Ratio</u>
1 Residential Service	1.1110	1.07987	1.0288
2 General Service Secondary	1.0670	1.07987	0.9881
2 General Service Primary	1.0270	1.05641	0.9722
3 Municipal Street Lighting	0.7700	1.07611	0.7155
4 Private Outdoor Lighting	0.7810	1.07611	0.7258

3. Average Cost by Service Classification

<u>SC No.</u>	<u>Description</u>	(1) <u>Sales (kWh)</u>	(2) <u>Average Cost Per kWh (¢/kWh)</u>	(3) <u>Default Svc Sales Ratio</u>	(4) = (2) * (3) <u>Class- Specific Cost Per kWh (¢/kWh)</u>
1	Residential Service	939,448	7.5000	1.0288	7.7162
2	General Service Secondary	1,240,336	7.5000	0.9881	7.4106
2	General Service Primary	613,850	7.5000	0.9722	7.2912
3	Municipal Street Lighting	19,022	7.5000	0.7155	5.3666
4	Private Outdoor Lighting	14,602	7.5000	0.7258	5.4432

Total 2,827,258

(6)=(212,044-210,979)*
(5) = (1) * (4)/100 (5) /210,979 (7) = (5) + (6)

<u>SC No.</u>	<u>Description</u>	<u>Class- Specific Cost (\$)</u>	<u>Adjustment (\$)</u>	<u>Adjusted Class- Specific Cost (\$)</u>
1	Residential Service	\$72,490	\$366	\$72,856
2	General Service Secondary	91,916	464	\$92,380
2	General Service Primary	44,757	226	\$44,983
3	Municipal Street Lighting	1,021	5	\$1,026
4	Private Outdoor Lighting	795	4	\$799
	Total	\$210,979	\$1,065	\$212,044

**PIKE COUNTY LIGHT AND POWER COMPANY
Determination of Class-specific (Over)/Under Recoveries**

December 2014

1. Average Cost

Default Service Costs from Dec 2014	\$244,352
Sales (kWh)	3,357,580
 Average Cost per kWh (¢/kWh)	 7.2776

2. Default Service Ratios

	<u>Default Svc Sendout Ratio</u>	<u>Loss Factors</u>	<u>Default Svc Sales Ratio</u>
1 Residential Service	1.1110	1.07987	1.0288
2 General Service Secondary	1.0670	1.07987	0.9881
2 General Service Primary	1.0270	1.05641	0.9722
3 Municipal Street Lighting	0.7700	1.07611	0.7155
4 Private Outdoor Lighting	0.7810	1.07611	0.7258

3. Average Cost by Service Classification

	(1)	(2)	(3)	(4) = (2) * (3)
<u>SC No. Description</u>	<u>Sales (kWh)</u>	<u>Average Cost Per kWh (¢/kWh)</u>	<u>Default Svc Sales Ratio</u>	<u>Class- Specific Cost Per kWh (¢/kWh)</u>
1 Residential Service	1,404,995	7.2776	1.0288	7.4874
2 General Service Secondary	1,278,779	7.2776	0.9881	7.1909
2 General Service Primary	640,531	7.2776	0.9722	7.0750
3 Municipal Street Lighting	20,111	7.2776	0.7155	5.2074
4 Private Outdoor Lighting	13,164	7.2776	0.7258	5.2818
 Total	 3,357,580			

(6) = (244,352 - 244,214) *		
(5) = (1) * (4) / 100	(5) / 244,214	(7) = (5) + (6)

<u>SC No. Description</u>	<u>Class- Specific Cost (\$)</u>	<u>Adjustment (\$)</u>	<u>Adjusted Class- Specific Cost (\$)</u>
1 Residential Service	\$105,198	\$60	\$105,258
2 General Service Secondary	91,956	52	92,008
2 General Service Primary	45,318	26	45,344
3 Municipal Street Lighting	1,047	1	1,048
4 Private Outdoor Lighting	695	0	695
 Total	 \$244,214	 \$139	 \$244,353

**PIKE COUNTY LIGHT AND POWER COMPANY
Determination of the Electric Supply Adjustment Charge**

**Reconciliation of (Over)/Under Recoveries for the period Nov 2014 through Jan 2015
To be Applied in the ESAC for the Period Mar 2015 through May 2015**

4. Other Inputs in Calculations

Gross Receipts Tax	5.90%
Interest Rate on Undercollections =	6.0%
Interest Rate on Overcollections =	8.0%

5. Summary of Costs for the Quarter

<u>SC No.</u>	<u>Description</u>	(1) Adjusted Class-Specific Cost For Nov 2014 (\$)	(2) Adjusted Class-Specific Cost For Dec 2014 (\$)	(3) Adjusted Class-Specific Cost For Jan 2015 (\$)	(4) = sum(1):(3) Total Adjusted Class-Specific Cost for Quarter Ended Jan 2015 (\$)
1	Residential Service	\$72,856	\$105,258	\$140,069	\$318,183
2	General Service Secondary	92,380	92,008	125,817	310,205
2	General Service Primary	44,983	45,344	57,741	148,068
3	Municipal Street Lighting	1,026	1,048	1,313	3,387
4	Private Outdoor Lighting	<u>799</u>	<u>695</u>	<u>1,300</u>	<u>2,794</u>
	Total	\$212,044	\$244,353	\$326,240	\$782,637

<u>SC No.</u>	<u>Description</u>	(5) Nov 2014 Prior Period Reconciliation Cost (\$)	(6) Dec 2014 Prior Period Reconciliation Cost (\$)	(7) Jan 2015 Prior Period Reconciliation Cost (\$)	(8) = sum(5):(7) Total Quarterly Prior Period Reconciliation Cost (\$)
1	Residential Service	\$16,716	\$22,159	\$22,159	\$61,035
2	General Service Secondary	24,545	11,423	11,423	47,390
2	General Service Primary	7,171	3,477	3,477	14,126
3	Municipal Street Lighting	260	24	24	308
4	Private Outdoor Lighting	<u>246</u>	<u>68</u>	<u>68</u>	<u>381</u>
	Total	\$48,938	\$37,150	\$37,150	\$123,238

<u>SC No.</u>	<u>Description</u>	(9) Nov 2014 Costs From Prior Period(s) Due to Limit (\$)	(10) Dec 2014 Costs From Prior Period(s) Due to Limit (\$)	(11) Jan 2015 Costs From Prior Period(s) Due to Limit (\$)	(12) = sum(9):(11) Total Quarterly Costs From Prior Period(s) Due to Limit (\$)
1	Residential Service	\$34,329	\$19,553	\$19,553	\$73,436
2	General Service Secondary	1,075	0	0	1,075
2	General Service Primary	0	0	0	0
3	Municipal Street Lighting	0	0	0	0
4	Private Outdoor Lighting	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total	\$35,404	\$19,553	\$19,553	\$74,511

**PIKE COUNTY LIGHT AND POWER COMPANY
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**Reconciliation of (Over)/Under Recoveries for the period Nov 2014 through Jan 2015
To be Applied in the ESAC for the Period Mar 2015 through May 2015**

	(13)	(14)	(15)	(16) = sum(13):(15)
	Nov 2014	Dec 2014	Jan 2015	Total Quarterly
	Interest on Costs	Interest on Costs	Interest on Costs	Interest on Costs
	From Prior Period(s)	From Prior Period(s)	From Prior Period(s)	From Prior Period(s)
<u>SC.No.</u> <u>Description</u>	<u>Due to Limit (\$)</u>	<u>Due to Limit (\$)</u>	<u>Due to Limit (\$)</u>	<u>Due to Limit (\$)</u>
1 Residential Service	\$515	\$293	\$293	\$1,102
2 General Service Secondary	16	0	0	16
2 General Service Primary	0	0	0	0
3 Municipal Street Lighting	0	0	0	0
4 Private Outdoor Lighting	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$531	\$293	\$293	\$1,118

(17)=(1)+(5)+(9)+(13) (18)=(2)+(6)+(10)+(14) (19)=(3)+(7)+(11)+(15) (20)=sum(17):(19)

	Nov 2014	Dec 2014	Jan 2015	Total Quarterly
	<u>Total Costs (\$)</u>	<u>Total Costs (\$)</u>	<u>Total Costs (\$)</u>	<u>Costs (\$)</u>
1 Residential Service	\$124,417	\$147,264	\$182,075	\$453,755
2 General Service Secondary	118,015	103,431	137,240	358,686
2 General Service Primary	52,154	48,821	61,218	162,194
3 Municipal Street Lighting	1,286	1,072	1,337	3,695
4 Private Outdoor Lighting	<u>1,045</u>	<u>763</u>	<u>1,368</u>	<u>3,175</u>
Total	\$296,917	\$301,350	\$383,237	\$981,504

**PIKE COUNTY LIGHT AND POWER COMPANY
Determination of the Electric Supply Adjustment Charge**

**Reconciliation of (Over)/Under Recoveries for the period Nov 2014 through Jan 2015
To be Applied in the ESAC for the Period Mar 2015 through May 2015**

6. Summary of Revenue for the Quarter

	(21)	(22)	(23)	(24) = sum(21):(23)
<u>SC No. Description</u>	<u>Revenue For Nov 2014 (\$)</u>	<u>Revenue For Dec 2014 (\$)</u>	<u>Revenue For Jan 2015 (\$)</u>	<u>Total Revenue For Qtr Ended Jan 2015 (\$)</u>
1 Residential Service	\$100,256	\$247,863	\$222,246	\$570,365
2 General Service Secondary	125,620	218,465	184,588	528,673
2 General Service Primary	55,861	103,203	81,218	240,282
3 Municipal Street Lighting	1,467	1,875	1,817	5,159
4 Private Outdoor Lighting	<u>1,156</u>	<u>1,464</u>	<u>1,853</u>	<u>4,473</u>
Total	\$284,360	\$572,870	\$491,722	\$1,348,952

7. (Over)/Under Recovery by Service Classification

	(25)=(17)-(21)	(26)=(18)-(22)	(27)=(19)-(23)	(28)=sum(25):(27)
<u>SC No. Description</u>	<u>Nov 2014 Class-specific (Over)/Under Recovery (\$)</u>	<u>Dec 2014 Class-specific (Over)/Under Recovery (\$)</u>	<u>Jan 2015 Class-specific (Over)/Under Recovery (\$)</u>	<u>Total Quarterly Class-specific (Over)/Under Recovery (\$)</u>
1 Residential Service	\$24,160	(\$100,599)	(\$40,172)	(\$116,610)
2 General Service Secondary	(7,604)	(115,035)	(47,348)	(169,987)
2 General Service Primary	(3,707)	(54,382)	(20,000)	(78,089)
3 Municipal Street Lighting	(181)	(803)	(480)	(1,464)
4 Private Outdoor Lighting	<u>(111)</u>	<u>(702)</u>	<u>(486)</u>	<u>(1,299)</u>
Total	\$12,557	(\$271,520)	(\$108,486)	(\$367,449)

**PIKE COUNTY LIGHT AND POWER COMPANY
Determination of the Electric Supply Adjustment Charge**

**Reconciliation of (Over)/Under Recoveries for the period Nov 2014 through Jan 2015
To be Applied in the ESAC for the Period Mar 2015 through May 2015**

		(28)=sum(25):(27)	(29)	(30) = (28) / (29)*100		
<u>SC No.</u>	<u>Description</u>	Class-specific (Over)/Under Recovery (\$)	Forecast Sales For the Quarter Beg Mar 2015 (kWh)	Quarterly Electric Supply Adjustment Charge Excl GRT (\$/kWh)		
1	Residential Service	(\$116,610)	3,118,362	(3.7395)		
2	General Service Secondary	(169,987)	3,417,301	(4.9743)		
2	General Service Primary	(78,089)	1,736,452	(4.4970)		
3	Municipal Street Lighting	(1,464)	41,910	(3.4935)		
4	Private Outdoor Lighting	<u>(1,299)</u>	41,496	(3.1294)		
	Total	(\$367,449)	8,355,522			
		(31) = (30) / (1 - GRT)	(32)	(33)=[(31)-(32)]*(29) /100 * (1- GRT)	(34) = (32)*(1-GRT) *(29)/100	
<u>SC No.</u>	<u>Description</u>	Quarterly Electric Supply Adjustment Charge Incl GRT (\$/kWh)	Quarterly Electric Supply Adj. Charge Incl GRT and 2.0 ¢ Limit (\$/kWh)	Costs Over the 2.0¢ Limit for Future Disposition Excl GRT (\$)	Reconciliation Costs to Recover/(Refund) In the Quarter Beg Mar '15 Excl GRT (\$)	
1	Residential Service	(3.9740)	(2.0000)	(\$57,924)	(\$58,688)	
2	General Service Secondary	(5.2862)	(2.0000)	(105,673)	(64,314)	
2	General Service Primary	(4.7790)	(2.0000)	(45,408)	(32,680)	
3	Municipal Street Lighting	(3.7125)	(2.0000)	(675)	(789)	
4	Private Outdoor Lighting	(3.3256)	(2.0000)	<u>(518)</u>	<u>(781)</u>	
	Total			(\$210,198)	(\$157,251)	

From: (212) 460-3406
Eric Cabarr
Con Edison
4 Irving Place - 2nd Floor
New York, NY 10003

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Rosemary Chiavetta
Pennsylvania Public Utility Commiss
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