

July 30, 2010

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor - 1 North  
Harrisburg, PA 17120

**Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for Approval of Smart Meter Technology Procurement and Installation Plan – Docket No. M-2009-2123950  
Pennsylvania Electric Company Tariff Supplement No. 21 – Change in Smart Meter Technologies Charge Rates**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") are eight (8) copies of Supplement No. 21 to Pennsylvania Electric Company's ("Penelec" or the "Company") Tariff Electric Pa. P.U.C. No. 79 in compliance with the Commission's Order at Docket No. M-2009-2123950, which bear an issue date of July 30, 2010. The tariff changes contained in Supplement No. 21 are proposed to be effective with service rendered on or after January 1, 2011.

The purpose of Supplement No. 21 is to reflect in Penelec's tariff the changes in the Smart Meter Technologies Charge ("SMT-C") rates for the Commercial, Residential, and Industrial Customer Classes for service rendered on or after January 1, 2011 through December 31, 2011. Supplement No. 21 is being filed pursuant to the Commission's Order at Docket No. M-2009-2123950 entered June 9, 2010 and under the provisions of the PaPUC-approved Smart Meter Technologies Charge Rider.

Supporting details for the computation of the Penelec SMT-C rates are provided in Exhibit A, Schedules 1, 2, 3, and 4 that accompany this filing.

**RECEIVED**

JUL 30 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Enclosed please find an extra copy of this letter for you to date stamp and return in the enclosed stamped, addressed envelope in order to indicate receipt of this filing.

If you have any questions regarding the enclosed documents, please contact Ray Parrish at (610) 921-6837.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles V. Fullem". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charles V. Fullem  
Director of Rates & Regulatory Affairs-PA  
(610) 921-6525

Enclosures

c: Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison :  
Company, Pennsylvania Electric Company :                   Docket No. M-2009-2123950  
and Pennsylvania 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 the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant).

Service by First Class Mail, as follows:

Daniel G. Asmus, Esquire  
Lauren M Lepkoski, Esquire  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Aron J. Beatty, Esquire  
Candis A. Tunilo, Esquire  
Tanya McCloskey, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923

Kuri E. Klappkowski, Esquire  
Assistant Counsel  
Commonwealth of Pennsylvania  
RCSOB, 9<sup>th</sup> Floor  
400 Market Street  
Harrisburg, PA 17101

Charles Daniel Shields, Esquire  
Carrie B. Wright, Esquire  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Harry S. Geller, Esquire  
John C. Gerhard, Esquire  
Julie George, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101-1414

Brian J. Knipe, Esquire  
Michael T. Killion, Esquire  
Buchanan Ingersoll & Rooney, P.C.  
15<sup>th</sup> Floor  
17 North Second Street  
Harrisburg, PA 17101-1503

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Charis Mincavage, Esquire  
Vasiliki Karandrikas, Esquire  
Carl J. Zwick, Esquire  
McNees Wallace & Nurick, LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166

Divesh Gupta, Esquire  
Senior Counsel  
Constellation Energy  
111 Market Place, Suite 500  
Baltimore, MD 21202

Dated: July 30, 2010



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Charles V. Fullem  
Director  
Rates Regulatory Affairs - PA  
(610) 921-6525  
cvfullem@firstenergycorp.com  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001

**PENNSYLVANIA ELECTRIC COMPANY**  
**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

**The Territory as Defined on  
Page Nos. 11 - 18 of this Tariff**

**RECEIVED**

JUL 30 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Issued: July 30, 2010**

**Effective: January 1, 2011**

**By: Anthony J. Alexander, CEO**  
**Reading, Pennsylvania**

**NOTICE**

Supplement No. 21 changes rates in Rider T – Smart Meter Technologies Charge Rider.  
See Twenty-first Revised Page 2.

LIST OF MODIFICATIONS

Riders

Changes

Rider T – Smart Meter Technologies Charge Rider rates have been changed in this Tariff (See First Revised Page 196).

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RIDERS

RIDER T

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, with the exception of those served under Borderline Service rates, 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, 2011 through December 31, 2011 the SMT-C rates billed by Customer Class are as follows:

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

\$1.07 per month.

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, and Rate H.):

\$1.07 per month.

Industrial Customer Class (Rate GS-Large, Rate GP, and Rate LP):

\$1.01 per month.

(C) Change  
(D) Decrease

**PENNSYLVANIA ELECTRIC COMPANY**  
**Computation of Proposed Smart Technologies Charges ("SMT-C") by Customer Class**  
**For the Twelve Months Ending December 31, 2011**

$$\text{Smart Technologies Charge} = \text{SMT-C} = \left[ \frac{\text{SMTc} - \text{E}}{\text{ACCC}} \right] / 12 \times \left[ \frac{1}{1 - \text{T}} \right]$$

Line No.	Description	All Customer Classes Amounts	Residential Customer Class Computations	Commercial Customer Class Computations	Industrial Customer Class Computations
	(1)	(2)	(3)	(4)	(5)
1	SMTc = Smart Meter Technologies Costs by Customer Class (See Schedule 2 for Support)	\$ 7,069,756	\$ 6,067,816	\$ 991,929	\$ 10,011
2	E = Cumulative Prior Reconciliation Period's Net Over / (Under) Collections	\$ -	\$ -	\$ -	\$ -
3	ACCC = Projected Average Customer Class Count for the SMT-C Computation Year for the Twelve Months Ending December 31, 2011 (See Schedule 4 for Support)		500,258 Avg. Count	81,556 Avg. Count	874 Avg. Count
4	(SMTc - E) / ACCC / 12 Month [ ((Line 1 + Line 2) / Line 3) / 12 Months ]		\$ 1.01 per Month	\$ 1.01 per Month	\$ 0.95 per Month
5	1 / (1 - T): (T = 5.90% PA Gross Receipts Tax in Base Rates)		1.062699	1.062699	1.062699
6	<b>SMTc = Smart Meter Technologies Charge (Line 4 X Line 5)</b>		<u>\$ 1.07 per Month</u>	<u>\$ 1.07 per Month</u>	<u>\$ 1.01 per Month</u>

**PENNSYLVANIA ELECTRIC COMPANY**  
**Projected Smart Technologies Costs ("SMTc") by Customer Class**  
**For the Smart Meter Technologies Charge ("SMT-C") Computation Year**  
**Twelve Months Ending December 31, 2011**

Smart 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 Assessment Period Costs (See Schedule 3 for Supporting Details)	\$ 7,069,756	\$ 6,067,816	\$ 991,929	\$ 10,011
2	SMTexp1 Cost Recovery of SMT Capital Expenditures	\$ -	\$ -	\$ -	\$ -
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>\$ 7,069,756</b>	<b>\$ 6,067,816</b>	<b>\$ 991,929</b>	<b>\$ 10,011</b>

PENNSYLVANIA ELECTRIC COMPANY  
 Projected Smart Meter Technologies Assessment Period Direct and Common Costs Recoverable Through Smart Meter Technologies Charges ("SMT-C")  
 For the Twelve Months Ending December 31, 2011

Projected Smart Meter Technologies Direct and Common Costs														
Line No.	Smart Meter Technologies Direct and Common Assessment Period Costs Descriptions (1)	January 2011 (2)	February 2011 (3)	March 2011 (4)	April 2011 (5)	May 2011 (6)	June 2011 (7)	July 2011 (8)	August 2011 (9)	September 2011 (10)	October 2011 (11)	November 2011 (12)	December 2011 (5)	12 Months Ending December 2011 (13)
1	Internal Administration Labor	\$ 237,038.27	\$ 226,630.32	\$ 222,084.32	\$ 154,133.56	\$ 147,135.11	\$ 148,092.16	\$ 144,204.14	\$ 145,549.99	\$ 143,755.52	\$ 143,755.52	\$ 142,858.28	\$ 138,547.80	\$ 1,993,784.99
2	Dues, Fees, Licenses	\$ 69,794.49	\$ -	\$ -	\$ 79,720.76	\$ -	\$ 1,996.28	\$ 79,720.76	\$ -	\$ 79,720.76	\$ 79,720.76	\$ -	\$ -	\$ 310,953.05
3	General Business and Travel	\$ 2,457.95	\$ 2,353.87	\$ 2,308.41	\$ 1,628.90	\$ 1,558.92	\$ 1,568.49	\$ 1,529.61	\$ 1,543.06	\$ 1,525.12	\$ 1,325.12	\$ 1,516.15	\$ 1,473.04	\$ 20,986.64
4	Materials	\$ 61,884.68	\$ -	\$ -	\$ 85,068.75	\$ 99,246.88	\$ 99,246.88	\$ 99,246.88	\$ 99,246.88	\$ 85,068.75	\$ -	\$ -	\$ -	\$ 629,009.70
5	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Outside Professional and Contractor Services	\$ 761,493.44	\$ 656,204.05	\$ 648,721.04	\$ 589,917.16	\$ 338,577.16	\$ 248,207.93	\$ 167,596.05	\$ 139,663.38	\$ 138,665.78	\$ 174,579.22	\$ 127,892.23	\$ 123,701.85	\$ 4,115,019.29
7	Total Projected Smart Meter Technologies Direct and Common Costs (Lines 1 through 6)	\$ 1,132,668.83	\$ 885,188.24	\$ 873,113.77	\$ 910,469.13	\$ 586,518.07	\$ 499,111.74	\$ 492,297.44	\$ 386,003.31	\$ 369,016.17	\$ 399,580.62	\$ 272,066.66	\$ 263,722.69	\$ 7,069,755.67

Allocation of Projected Direct and Common Costs based on Actual Customer Class Meter Counts for May 2010 determined as follows:				
Line No.	Customer Class	May 2010 Meter Count by Customer Class	Percentage to All Customer Classes	Allocation of Projected Direct and Common Costs for 12 Months Ending December 31, 2011 (Rounded)
		A	B	C = B X Line 7, Col. 13
8	Residential Customer Class	501,529	85.8278%	\$ 6,067,816
9	Commercial Customer Class	81,987	14.0306%	\$ 991,929
10	Industrial Customer Class	827	0.1416%	\$ 10,011
11	Total Meter Count	584,343	100.0000%	\$ 7,069,756

**PENNSYLVANIA ELECTRIC COMPANY**  
**Projected Average Customer Class Count ("ACCC") by Customer Class**  
**For the Smart Meter Technologies Charge ("SMT-C") Computation Year**  
**Twelve Months Ending December 31, 2011**

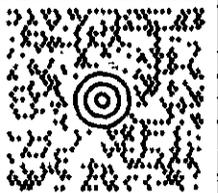
Line No.	Month	Residential	Commercial	Industrial
		Customer Class Count	Customer Class Count	Customer Class Count
	(1)	(2)	(3)	(4)
1	January 2011	501,690	81,364	874
2	February 2011	501,923	81,385	875
3	March 2011	502,002	81,395	873
4	April 2011	501,409	81,450	873
5	May 2011	500,134	81,506	874
6	June 2011	500,341	81,543	874
7	July 2011	500,258	81,556	874
8	August 2011	500,559	81,555	874
9	September 2011	500,767	81,546	874
10	October 2011	500,814	81,670	875
11	November 2011	501,210	81,767	877
12	December 2011	501,518	81,879	877
13	<b>Projected Average Customer Class Counts ("ACCC") for the Twelve Months Ending December 31, 2011</b>	<b>501,052</b>	<b>81,551</b>	<b>875</b>

GLENN A COLDREN  
(810) 921-6633  
AE-1440  
2800 POTTSVILLE PIKE  
READING PA 19605-2459

4 LBS

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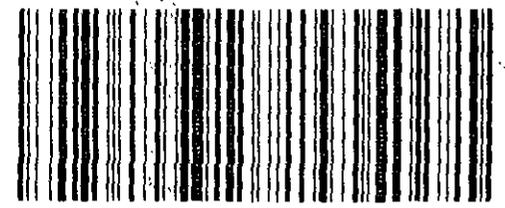
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(800) 692-7375  
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