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February 25, 2015

VIA FEDERAL EXPRESS

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Pennsylvania Power Company
Docket Nos. R-2014-2428744 and M-2013-2341993

Dear Secretary Chiavetta:

Enclosed are **Customer Class Rate Impact Analyses on behalf of Pennsylvania Power Company** that are being filed in the above-referenced docket in compliance with the request of the presiding Administration Law Judges ("ALJs"). In addition to one hard copy, we have enclosed a CD containing a PDF of the Customer Class Rate Impact Analyses.

As evidenced by the enclosed Certificate of Service, copies of the Customer Class Rate Impact Analyses are being served on all parties, the presiding ALJs and the ALJs' technical advisors.

Very truly yours,



Anthony C. DeCusatis

ACD/tp

Enclosures

c: Per Certificate of Service

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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February 25, 2015

**VIA ELECTRONIC MAIL
AND FEDERAL EXPRESS**

The Honorable Dennis J. Buckley
Administrative Law Judge
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
400 North Street
Harrisburg, PA 17120

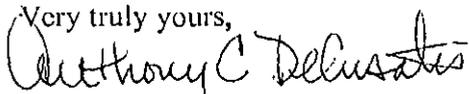
The Honorable Katrina L. Dunderdale
Administrative Law Judge
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Pittsburgh District Office
Piatt Place, Suite 220
301 5th Avenue
Pittsburgh, PA 15222

**Re: Pennsylvania Public Utility Commission v. Pennsylvania Power Company
Docket Nos. R-2014-2428744 and M-2013-2341993**

Dear Judge Buckley and Judge Dunderdale:

Pursuant to your request on February 23, 2015, enclosed are the **Customer Class Rate Impact Analyses on behalf of Pennsylvania Power Company** in the above-captioned matter.

As evidenced by the enclosed Certificate of Service, copies of the Customer Class Rate Impact Analyses are being served on all parties of record and your technical advisors.

Very truly yours,

Anthony C. DeCusatis

ACD/tp
Enclosures
c: Per Certificate of Service

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**Pennsylvania Power Company
Customer Class Rate Impact Analyses**

PA PUBLIC UTILITY COMMISSION
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Residential Class

Under the Settlement Rates, the monthly residential distribution customer charge will increase \$1.96 (or 22.0%) from \$8.89 to \$10.85. This increase in the distribution customer charge is in lieu of the Company's proposed monthly distribution customer charge of \$12.71, which represents a \$3.82 increase (or 43.0%). In addition, under the Settlement Rates, the bill for a typical Residential customer that uses 1,000 kWh per month will increase by \$7.80 per month, from \$104.76 to \$112.56¹ (or 7.4%), including default service generation, taxes and other rider surcharges. In comparison, in the Company's proposed filing, the bill for a typical Residential customer that uses 1,000 kWh per month would have increased by \$12.39 per month, from \$104.76 to \$117.15² (or 11.8%), including default service generation, taxes, and other rider surcharges.

Commercial Class

Under the Settlement Rates, the monthly distribution customer charge for a Rate Schedule GS Medium customer will increase \$19.17 from \$0.00 to \$19.11 (there is no customer charge under current rates). This increase in the distribution customer charge is the same as the monthly Rate Schedule GS Medium distribution customer charge in the Company's proposed filing. In addition, under the Settlement Rates, the bill for a typical Rate Schedule GS Medium customer with monthly billing demand of 40 kW and 250 hours use of demand will increase by \$13.99 per month, from \$876.22 to \$890.21 (or 1.6%), including default service generation, taxes and other rider surcharges. In comparison, in the Company's proposed filing, the bill for a typical Rate Schedule GS Medium customer with monthly billing demand of 40 kW and 250 hours use of demand would have increased by \$22.72 per month, from \$876.22 to \$898.94 (or 2.6%), including default service generation, taxes, and other rider surcharges.

Industrial Class

Under the Settlement Rates, the monthly distribution customer charge for a Rate Schedule GT customer will increase \$258.42 from \$0 to \$258.42 (there is no customer charge under current rates). This increase in the distribution customer charge is in lieu of the Company's proposed monthly distribution customer charge of \$254.56, which represents a \$254.56 increase. In addition, under the Settlement Rates, the bill for a typical Rate Schedule GT customer with monthly billing demand of 20 MW and 474 hours use of demand will increase by \$5,428.20 per month, from \$405,825.78 to \$411,253.98 (or 1.3%), including default service generation, taxes

¹ All calculations use riders in effect at 7-1-2014 and the price-to-compare from 9-1-14, which assures that the rates are being compared on a consistent basis. Additionally, and also to assure consistency in the rate comparison, the Rider rates used to calculate bills under the initially proposed rates and under the Settlement Rates were adjusted to reflect the amounts recovered under the State Tax Adjustment Surcharge that will be rolled-into the Rider rates on the date that new base rates become effective.

² Penn Power Statement No. 1 (Direct Testimony of Charles V. Fullem), p. 10.

and other rider surcharges. In comparison, in the Company's proposed filing, the bill for a typical Rate Schedule GT customer with monthly billing demand of 20 MW and 474 hours use of demand would have decreased by \$354.09 per month, from \$405,825.78 to \$405,471.70 (or - 0.1%), including default service generation, taxes, and other rider surcharges.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

PENNSYLVANIA POWER COMPANY

**Docket Nos. R-2014-2428744
M-2013-2341993**

CERTIFICATE OF SERVICE

I hereby certify that I served, on behalf of **Pennsylvania Power Company**, on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54, a true and correct copy of the **Customer Class Rate Impact Analyses**.

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

The Honorable Dennis J. Buckley
Administrative Law Judge
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
400 North Street
Harrisburg, PA 17120
debuckley@pa.gov

The Honorable Katrina Dunderdale
Administrative Law Judge
Office of Administrative Law Judge
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Date: February 25, 2015

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